

# The Incorporated Accountants' Journal

The Official Organ of

The Society of Incorporated Accountants and Auditors

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capital is represented by preference shares. The preference shareholders will not be affected by the tax, and hence the whole assessment will be a charge upon the equity profits which go to the ordinary shareholders. It has been suggested that the tax on the equity should be limited to 10 per cent., but Sir John Simon in moving the new clauses refused to accept this proposal.

Professions will not come within the scope of the tax if their profits are dependent wholly or mainly on the personal qualifications of the individual or individuals concerned, but the expression "profession" is not to include any business consisting wholly or mainly in the making of contracts on behalf of other persons or the giving of advice of a commercial nature in connection with the making of contracts. Statutory undertakings will not be subject to the tax, and the term "statutory undertakers" is defined as meaning any local or public authority authorised by any enactment to render certain specified services (such as the supply of water, gas and electricity) in the United Kingdom and any other person so authorised who is precluded by Statute from charging more than a fixed price for those services, or in the case of a body corporate is precluded by Statute from distributing more than a fixed rate of dividend.

In making income tax computations the National Defence Contribution is to be deducted, but in making computations for National Defence Contribution neither income tax nor N.D.C. payments will be allowed as debits. Allowances for losses and wear and tear brought forward from past years will be given, similar to those allowed for income tax purposes. It would appear, however, that the computation for ascertaining such losses is to be made on the same lines as computations for National Defence Contribution in an accounting period. In arriving at the N.D.C. profits for any accounting period there are

## Professional Notes.

THE Incorporated Accountants' Conference, held at Belfast last month, was a marked success. The company numbered some 600, and at the Conference Dinner there were many notable guests. A full report of the proceedings appears in this issue.

We publish on page 384 the contents of the White Paper which summarises the provisions of the revised National Defence Contribution proposals. This sets out very clearly the general effect of the tax, which we need not therefore repeat, but it is necessary to consider the new clauses of the Finance Bill, which have been moved by the Chancellor of the Exchequer, in order to appreciate the full effect of the tax. These clauses we also reproduce. Although the contribution is only a 5 per cent. tax in the case of companies and 4 per cent. in the case of individuals and firms, it may fall more heavily than this indicates upon ordinary shareholders of companies in which a large amount of the

certain specified variations from the method of computation adopted for income tax purposes, one of which is that, with certain exceptions, deductions will be allowed for interest, annuities or other annual payments out of profits and for royalties, and another is that the annual value of premises owned or occupied for the purpose of business will be included. Speaking generally, income from investments is not to be included, but there are exceptions, viz. :—

- (a) In the case of building societies, banking businesses and assurance businesses or businesses consisting wholly or mainly of dealing in or holding investments, the profits are to include investment income except as regards dividends or profits which have already been subjected to the N.D.C. tax at the source ;
- (b) In the case of other trades or businesses carried on by Corporate bodies, all dividends and profits received by them from companies in which they have a controlling interest are to be included except where the controlled company is itself assessable to N.D.C.

It is thus clear that a dividend derived from a subsidiary company which has itself been subject to the National Defence Contribution will not be assessed again in the accounts of the holding company, but questions may arise regarding dividends received after April 1st, 1937, earned by subsidiaries before that date.

There is a strict limitation of the amount allowed to be charged for directors' fees in the case of companies where the directors have a controlling interest. The remuneration of the directors shall, if it exceeds £1,500, not exceed 15 per cent. of the profits (computed before charging directors' remuneration) or £15,000, whichever is the less.

The object of the provisions of Clause 12 of the Finance Bill, which relates to the allowance for depreciation of mills, factories and other similar premises, is at first sight not very obvious, but the main point is that the allowance is to be restricted to those cases in which the premises are owned by the person carrying on the trade and occupied by him for that purpose. Since 1919 the allowance in relation to mills and factories, &c., has been applicable to such premises, whether situated at home or abroad, and since 1927 without any specific restriction as to who was the occupier. Now the allowance is divided into two main sections: (a) premises which are assessable under No. 1 of Schedule A,

and (b) premises which are not. The former would obviously exclude premises situated abroad.

The allowance in respect of premises coming under sect. (a) is to be an amount equal to the repairs allowance of the premises or an appropriate fraction of the rating value of the premises, whichever is the less. The fraction referred to is to be one-sixth in the case of premises situated in the administrative County of London or in Scotland, and in other cases one-fifth. In cases coming under sect. (b), which, in addition to premises situated abroad, will include electricity works and brick works, the deduction to be allowed is to be one per cent. of the actual cost of that part of the premises which is used wholly or mainly for the purpose of mechanical power, non-rateable machinery being excluded.

In answer to a question in the House of Commons as to the total amount still outstanding in respect of Excess Profits Duty and the total amount written off as irrecoverable, the Chancellor of the Exchequer stated that the number of cases in assessment but unpaid at March 31st last was 376, representing a total duty outstanding of £4,500,000. The total amount written off as irrecoverable since the imposition of the duty was approximately £16,000,000, whilst the total duty paid into the Exchequer to date was about £1,150 millions.

On June 1st last the stock of gold held by the United States Government amounted to the huge sum of £2,400 millions, of which £320 millions have been accumulated during the last twelve months. The total monetary gold of the world is estimated to be about £4,540 millions. This stock, which has been accumulating for hundreds of years, has almost doubled in value in the last five years. The increased value has arisen partly from an addition to the volume, but mainly from a depreciation of sterling currency in relation to gold. An ounce of gold is to-day worth 166.66 per cent. of its 1929 value in sterling, that is, 140s. instead of 84s. 11½d.

The two purposes of gold are: (1) to enable countries to settle international balances and thus maintain stable exchange rates, and (2) to provide the percentage required to be held as a backing for note issues and other commitments. It is evident that the United States holds sufficient gold for both these purposes, as the Government has created what is termed an "Inactive Account" by purchasing gold against the "sale of additional public obligations," thus avoiding an increase of the bank reserves and

preventing "gold inflation." To refuse to buy would, in effect, be to demonetize, which would have the result of creating serious currency difficulties. The rumour that America was about to change the policy hitherto adopted was the cause of the recent mild excitement on the London Stock Exchange, but assurances received from New York allayed this apprehension to some extent and the subsequent action of our own Government in deciding to add £200,000,000 to the Exchange Equalisation Fund seems to have restored completely the confidence of the money market.

A somewhat important case was decided by Mr. Justice Finlay last month in relation to a payment for services by way of a proportion of the profits of a company. The question came up for decision in an appeal by *British Sugar Manufacturers Limited*, against assessments confirmed by the Special Commissioners. The circumstances were that another company (British Allied Investments Corporation Limited) agreed to provide British Sugar Manufacturers Limited with office accommodation for staff and generally to supervise its affairs for a percentage of the profits, such percentage varying from 20 to 12½ per cent. The profit and loss account of the company showed a charge of £7,412 in the year 1931-32 for management commission, which was claimed as an allowable income tax deduction for services rendered. This was disputed by the Crown, who claimed that it was in part capital expenditure and in part a distribution of profits.

The Special Commissioners upheld the Crown's contention, and Mr. Justice Finlay, although he apparently did not agree with them, dismissed the appeal of the company. He considered that he was bound by the authorities on the subject, but stated that if he had had to consider the case entirely unfettered by authority he would have arrived at the conclusion that the argument advanced on behalf of the appellant company was right. His own view was that the percentage of profits agreed to be paid was really only a measure of the remuneration. The probability is that in the circumstances the case will go to appeal.

The results of the May Examinations of the Society of Incorporated Accountants and Auditors are published in this issue. The first prize in the Final Examination has been awarded to Mr. John William Margetts, London, and the second prize to Mr. Douglas Rowing Fendick, London. Prizes have also been awarded to Mr. Arthur Moody, Ashton-in-Makerfield, and Mr. Frederick Hector David Hartman, Mold, Flint-

shire, the recipients of the first place certificates in the Intermediate and Preliminary Examinations respectively. Five Final and seven Intermediate candidates are placed in Honours, and the percentages of passes are 47 per cent. in the Final Examination, 44 per cent. in the Intermediate, and 55 per cent. in the Preliminary.

Various attempts have been made to avoid Sur-Tax assessment by the payment of dividends without deduction of tax. This arose again in the case of *Inland Revenue v. Cull* on an appeal by the Crown against the decision of the Special Commissioners. An interim dividend on the ordinary shares of Cull & Co., Limited, was received by Mr. A. E. K. Cull, the dividend being declared "without deduction of Income Tax." In the company's profit and loss account a deduction on account of Income Tax was shown before arriving at the net profit, but it was stated that, owing to previous losses, the company was not liable to be charged to Income Tax for the year in question, and that the reserve was intended to provide for Income Tax chargeable in the next financial year.

In allowing the appeal Mr. Justice Finlay said the company, in paying the tax, did not pay as an agent for its shareholders; it paid the tax simply as a person that had made profits. If the company chose not to exercise its right to deduct tax when paying the dividend, the result was simply to pay an additional dividend. His Lordship was quite unable to draw any distinction between the words "free of Income Tax" and "without deduction of Income Tax." They both meant that the company was in effect paying the shareholder a dividend plus an indemnity against tax.

## INCORPORATED ACCOUNTANTS AT BELFAST.

THE Belfast Conference of Incorporated Accountants was opened at Queen's University on the morning of June 23rd. The Vice-Chancellor of the University, Mr. F. W. Ogilvie, M.A., occupied the chair, and the Lord Mayor of Belfast, Sir Crawford McCullagh, Bart., extended a warm welcome to the members of the Society and their friends. The business proceedings commenced the following morning, when members again assembled at Queen's University to hear an address by the President of the Society, Mr. Walter Holman. After offering a hearty welcome to the members from all parts of Great Britain and Ireland, Mr. Holman proceeded to give a



brief review of the Society's numerical expansion and referred to the slowing down tendency which had been apparent in recent years in the expansion of nearly all professional bodies. This he regarded as one phase of the larger problem of stationary and declining populations. So far as accountancy was concerned he did not think there was any question of overcrowding as the demand for accountants was still quite equal to the supply. The Society's aim, he said, had always been quality rather than quantity, and he hoped it would always remain so. In this connection he observed that when an articled clerk had passed his examinations he had only just begun to qualify as an accountant, and would remain on the plane of mediocrity unless he continued his studies and kept abreast of the development of the profession. After a reference to the Society's Research Committee, whose work he said had been going on quietly and efficiently for over two years, Mr. Holman expressed the view that there was room for improvement both in the quantity and quality of the information supplied to the public in company prospectuses, and indicated the lines on which improvement might be effected.

Following the President's address Mr. D. Tilfourd Boyd, F.S.A.A., read a paper on "Accountancy in relation to Irish Industry and Commerce," in which he presented a picture of economic Ireland and compared it with the industrial structure of England and Wales, his object being to show the somewhat different conditions under which the accountancy profession functioned in Ireland. In this review he covered a wide field and submitted many interesting facts and figures regarding trade and population, showing their effect on the development of accountancy. The scope of his review may be gathered from the fact that it embodied the development of joint stock enterprise, the co-operative movement, taxation, unemployment, legislation in Northern Ireland, and the Irish Free State policy of economic independence, concluding with a review of the development of the accountancy profession in Ireland. The paper exhibited a wide knowledge of many subjects and a capacity for presenting them in an interesting manner. Mr. Boyd also showed great discretion when referring to matters on which the Irish Free State and Northern Ireland hold somewhat divergent views.

Mr. Woolley in his paper on "The Structure of Limited Liability Companies" called attention to what he regarded as weaknesses in the Companies Act. Creditors, he said, were prejudiced in the case of one man companies where the proprietor took his purchase price largely in

debentures. Hardships to creditors also arose in relation to debenture issues in public companies and he suggested that there should be a limitation to the amount of debentures that a company could issue, the degree of limitation to be fixed by reference to the nature and value of the assets. The inter-relations between public and private companies, he said, frequently defeated the statutory provisions designed for the protection of the investor. In holding companies the bulk of the assets might be represented by shares in subsidiaries, which in turn might hold investments in other subsidiaries, or even in the holding company itself. The remedy Mr. Woolley suggested was the publication by the holding company of a consolidated Balance Sheet and an aggregate Profit and Loss Account. Undue complication of the capital structure of companies by a multiplication in the classes of shares was also condemned, and the issue of shares of a very low denomination Mr. Woolley regarded as having grave disadvantages. The meagre information in the published Profit and Loss Accounts, and the absence of any statutory provision that the auditors of companies' accounts should be fully qualified professional accountants, were also matters that called for rectification.

The Conference proceedings also comprised numerous social functions, including a Civic Reception at the City Hall by the Lord Mayor and Lady Mayoress of Belfast; the Conference Dinner at the Plaza at which many important guests were present, including the Prime Minister of Northern Ireland, the Lord Mayor, the Speaker of the Senate, and the Attorney-General; a Garden Party at Parliament Buildings by invitation of the Prime Minister and the Government of Northern Ireland; a Reception and Dance at the invitation of the Belfast and District Society; two luncheons at the Grand Central Hotel, one at the invitation of the Belfast District Society and another at the invitation of the Society of Incorporated Accountants and Auditors in Ireland (the Society's Irish Branch); a tour of inspection of Belfast Harbour; a visit to Hazelwood, a natural mountain park giving wide panoramic views; and finally a whole day devoted to a motor tour of the Antrim coast and a visit to Giant's Causeway and Portrush. The proceedings throughout were favoured with fine weather and the members and their friends spent a most enjoyable time.

The Belfast and District Society, at whose invitation the Conference was held, are to be congratulated on the completeness of their organisation, the cordiality of the reception they gave and the great success of the Conference both in its social and professional aspects.



## THE LOCAL GOVERNMENT AUDITORS' (SCOTLAND) ASSOCIATION.

(CONTRIBUTED.)

OF the growth in the number of organisations concerned with the interests of the accountancy profession it might well be said there is no end. Numerous bodies there are, established with virtually the same functions though appealing to different sections of the world of accounting. It would be difficult to say of some of them that they have any distinctive purpose, though many claim to meet a long felt need. In the present instance there can, however, be no doubt that in the Local Government Auditors' Association recently formed in Scotland we have an institution which may be welcomed—a body competitive with no other body, a co-operative movement in the public interest no less than in that of the profession. The members of this Association are practising accountants who have received appointments as auditors of the accounts of Scottish local authorities. The ordinary reader may inquire—Why Scottish? Why not English, why not Welsh, why not even Irish? The answer is that in Scotland professional auditors of the accounts of local authorities are appointed by the Secretary of State for Scotland, and as such derive an official status which in England, Wales or Ireland is non-existent. It is true that the Ministry of Health for England and the corresponding Ministerial Department in Ireland utilise the services of Civil servants for the audit or investigation of the accounts of local authorities, covering the whole of the transactions of certain types of councils and dealing mainly with grant-aided services of others, the largest local authorities; but professional auditors in England are appointed by the Municipal Corporations and not by any Government Department. Elective auditors are elected by popular vote, and require no professional qualification, yet some councils have no other audit for many of their transactions than that carried out by elective auditors.

So that we see Scotland stands apart. The Secretary of State for Scotland appoints only professional accountants of high standing to act as the auditors of local government accounts. Here, therefore, is a select body entrusted with duty by the Government and not by the council which spends the money, discharging its functions to the ratepayers with the knowledge that criticism may be uttered boldly, and that appropriate representations can be made to the Secretary of State for Scotland when occasion arises.

Now, just as in England there is in existence machinery for consultation amongst the Civil servants engaged upon the accounts of local authorities, so also has it been found desirable to establish some means of consultation amongst the auditors of local government accounts in Scotland. A beginning was made some time ago with an Association of County Auditors in Scotland, its objects according to the Constitution being:—

- (1) To consult, deliberate and advise upon all matters relating to local government accounts in Scotland;
- (2) To watch over, confer and, if necessary, take action in regard to matters affecting county auditors; and
- (3) To further friendly intercourse and co-operation among the members in all matters relating to their official duties.

The local authorities in Scotland consist of counties and burghs, and the experience of the county auditors has led to the formation of this new association to represent auditors serving burghs as well as counties. Its constitution bears every sign of Scottish thoroughness and precision, and there can be no doubt about its value to the community, not to mention its worth as a channel of communication between the Government Department which administers the local affairs of Scotland and the accountants acting as auditors of the transactions of the various local authorities.

It must be obvious even to those unassociated with local council activities in any form, that uniformity in practice is desirable, lest a professional auditor to the Burgh of "X" adopts an attitude quite different from that of the auditor of the County Council of "Y," in like circumstances. No one who knows the ramifications of local councils' activities in these days can doubt the benefits arising from co-operative consideration of their common problems. As an instrument designed to weld together a professional audit organisation dealing with expenditure out of local rates in Scotland, the new association should be welcomed by the Government, the local authorities, and the ratepayers, alike. It is a body which can by no means be charged with the ambition to serve its own ends. It does not set itself up in rivalry or conflict with any existing body of accountants. It enumerates on its roll members of the various Chartered Accountant bodies in Scotland and of the Society of Incorporated Accountants and Auditors, and we anticipate with confidence that the members of the Society will worthily sustain their part in the work this Association is to undertake. Indeed, this is but another

occasion upon which Chartered and Incorporated Accountants, with interests in common, can and do unite for a common purpose. There are those who look forward to the day when the audit of the accounts of local authorities in England and Wales may be conducted on lines more closely akin to the conditions so well established in Scotland, and thereby avoid the appointment of such a hybrid collection of auditors as are now carrying out the duties. Meantime further developments of this new (or rather extended) venture will be watched with interest by professional accountants on this side of the border.

### THE LIGHTER SIDE OF THE BELFAST CONFERENCE. Impressions of a Lady Member.

"Reading maketh a full man, conference a ready man and writing an exact man."—*Bacon*.

Here is my effort to record some random recollections of my visit to Belfast:—

*Tuesday Night*.—Arrived at Liverpool Docks—glad to note calm Mersey. Greeted old friends on board and met new ones. Left Liverpool in the after-glow of a fine sunset and woke to find we were steaming up Belfast Lough with the promise of a fine day ahead. What is all this about crossing the Irish Sea?

*Wednesday*.—Proceeded to Queen's University to find many more friends from all quarters of the United Kingdom. After a cordial welcome by the Vice-Chancellor of the University and the Right Hon. The Lord Mayor of Belfast, to which the Society's President ably responded, was perched upon a peculiar erection of forms and planks with the assurance that the conferees were insured against accident. On hearing the liability was limited to £5,000, felt that the value of an accountant in other people's opinion seemed to be in inverse ratio to his own. Group photograph—finally taken.

Thereupon proceeded to luncheon at the invitation of the Belfast and District Society and talked arrant nonsense with my neighbours. Spent the only free time in a very full programme in visiting the Zoo at Bellevue and watching the animals being fed. Thoroughly enjoyed the lavish hospitality of the Lord Mayor at a reception and dance at the City Hall, and was struck by the colour of the gowns and uniforms against the marble walls, and the beautiful massed effect of pink and blue hydrangeas. What joy to see the gradual but effective unbending of members of the profession; a sad accountant is a sorry sight.

*Thursday*.—Struggled to consciousness at a late hour and attended Queen's University. Would like to congratulate the President on his thoughtful address. Gained the impression that the decline in the number of articulated clerks is not serious as quality, not quantity, is still the aim of the Society. Was very interested in Mr. D. T. Boyd's excellent paper on Accountancy from the Irish point of view and appreciated Mr. Witty's happy commendation of the individual still willing to back his own judgment with his own capital by running his own firm, a job maker rather than a job taker, as compared with a limited liability company.

Another successful luncheon by invitation of the Irish Branch. My neighbours and I talked a deal more nonsense. I like this Blarney! Spent a very pleasant afternoon in motoring to Hazelwood, a beautiful park with a magnificent view over Belfast Lough and its coast line, and round the

Lough to Bangor, where the sea was really green. Heard that those members who toured Belfast Harbour by invitation of the Belfast Harbour Commissioners also enjoyed themselves thoroughly. At the Society's dinner at the Plaza in the evening almost four hundred members and their distinguished guests "judicious drank and greatly daring dined"—"spoke plain and to the purpose." Found the President's speech not only to the purpose but graceful and finely phrased. Agreed with him that it was only natural Ireland should be accustomed to invasion, and that even less benevolent raiders than ourselves must succumb to the charm of the people and their country. The Recorder of Belfast in a very witty speech suggested that the difference between a Chartered and an Incorporated Accountant was the difference between an alligator and a crocodile; a welcome addition to my version of Oxford and Cambridge.

*Friday*.—Listened to a paper on Limited Liability Companies by Mr. Fred Woolley; felt the discussion following was far too short. Was entertained by the Prime Minister and Government of Northern Ireland at a Garden Party at Stormont, and liked the frank admission of the Irish that England paid for the beautiful Parliament Buildings. Would like to compliment the President of the Belfast Society and Mrs. White on their delightful reception and dance in the evening. Have discovered that "Paul Jones" in Ireland is the English "Excuse Me" dance; "Paul Jones" in England is the Irish "Jumble Dance." And that is Irish!

*Saturday*.—Find that bed at three doesn't encourage rising at eight but was not the last to join the party to Giant's Causeway and Portrush. Our last day in Ireland—and what a day! Gained vivid and lasting impressions of shady lanes and turreted gate posts, winding roads and whitewashed cottages, peat bogs and flax fields, along the magnificent north of Ireland coast with its sandy bays and rocky promontories, its glens and heights and glimpses of the blue Scottish hills, of Ailsa Craig and Rathlin Island (hitherto names only to many of us), the amazing Giant's Causeway and the charm of Portrush, jutting out into the sea. A day of mirth and merriment, cementing many new friendships and ending up at Belfast amid farewells and promises to return. And so to England once more over that much-maligned but still peaceful Irish Sea.

#### Epilogue.

My memory will linger long  
On Irish hospitality,  
The Irish charm oft praised in song  
Is now proved in reality.  
I hope my meaning's clear and plain,  
For 'neath my silly banter  
My heart rings true—and my refrain  
Is *au revoir* and *slainthe*!

### AMERICAN INSTITUTE OF ACCOUNTANTS.

The Fiftieth Anniversary of the American Institute of Accountants will be celebrated at the Waldorf-Astoria, New York City, from Monday, October 18th, to Friday, October 22nd.

The Society of Incorporated Accountants and Auditors will be officially represented by the President (Mr. Walter Holman), Mr. C. Hewetson Nelson and Mr. Henry Morgan (Past-Presidents), and Mr. A. A. Garrett (Secretary), who have accepted the invitation kindly extended by the American Institute.

The American Institute will also be very pleased to welcome as its guest any Incorporated Accountant who happens to be in the United States of America at the time of the celebrations.

# The Society of Incorporated Accountants and Auditors.

## CONFERENCE AT BELFAST.

BELFAST gave a real Irish welcome to the Incorporated Accountants' Conference held in that city on June 23rd, 24th, 25th, and 26th, and the social and business activities were marked by enthusiasm throughout. The visit was at the invitation of the President and Committee of the Belfast and District Society, and the programme opened on the morning of Wednesday, June 23rd, with a civic welcome in the Great Hall of Queen's University by the Right Hon. the Lord Mayor of Belfast (Sir Crawford McCullagh, Bart. D.L., J.P.). The Vice-Chancellor of the University (Mr. F. W. Ogilvie, M.A.) presided, and on behalf of the Senate of the University he extended a warm welcome to the visitors and expressed the hope that they would have happiness and success in their great Conference. When they looked back, they would find their time in Belfast had been pleasant and profitable, and those who were fortunate enough to have their lot cast to live in Belfast would find they had derived inspiration and enjoyment from the time spent with the visitors. The world they lived in had many characteristics, but no one would deny that, predominantly and increasingly, it was a world of figures. Man was a calculating animal, and his whole day, whether he liked it or not, was riddled with figures—with speed limits, tyre pressures, baby weights, thermometer readings, bowling averages, death rates, and income tax. The Society of Incorporated Accountants and Auditors had a great responsibility. In the profession which the delegates represented, they were, in a peculiar sense, freemen in the kingdom of figures. "We outsiders, as it were," said Mr. Ogilvie, "are deeply grateful both in our private lives and in the great institutions of the city, like the Corporation and the University, for what you do for us. We recognise that, but for you, our affairs would be even more in difficulties than they are. We admire increasingly the skill with which you can deal with ugly states of affairs." Concluding the Vice-Chancellor invited the Lord Mayor to declare the Conference open.

### Welcome by the Lord Mayor.

The LORD MAYOR said he was delighted on behalf of the citizens of Belfast to have the privilege of welcoming the visitors. In Northern Ireland they always did their utmost to make visitors feel at home, particularly those from across the Channel who did not always realise that Northern Ireland was part of the British Empire. Although the Society of Incorporated Accountants had been in existence for fifty-two years, it had taken them half a century to discover Belfast. Their city had in recent years become what he might describe as a city of conferences. The more they had of them, the more they would be pleased, and it was their earnest hope that the visitors would take away with them happy recollections of their stay, and return at no distant date. Belfast was a modern city, and he thought the citizens could claim with pride that it was fairly up-to-date, because they had some of the largest industries in the world centred there. As far as scenery was concerned, the guests would see many things that would interest them. He was glad to see so many ladies present because, when conferences were about to be held in Belfast, he had to answer many letters from ladies, assuring them that their husbands would be

perfectly safe. From the point of vantage which the members of the Society occupied, concluded the Lord Mayor, they were able to put their hand upon the pulse of good and bad trade, and he was sure they would all agree with him that they were now entering better times all over the country.

The PRESIDENT (Mr. Walter Holman) moved a hearty vote of thanks to the Lord Mayor for declaring the conference open, and to the Vice-Chancellor for presiding and for allowing the University buildings to be used for the meetings. There was a definite educational purpose in that conference, and it was a privilege they appreciated to be allowed to meet in those buildings dedicated for nearly a century to education. The Society had already some contacts with the University. A very esteemed member, Mr. D. Tilford Boyd, had been for some time an examiner, and the local secretary, Mr. H. McMillan, was an external examiner. After that week, they would feel they had a definite contact with Queen's University. He imagined that, in future years, they would look back with pleasure and pride to the days when they were students at Queen's. In that profession, as in all professions, any man who desired to maintain his position must be a student all the time, and that was one of the purposes for which the Council arranged conferences from time to time. He felt sure that if the Vice-Chancellor could spare the time to look in for a few moments at any of their meetings, he would find the discussions not unworthy of the environment and atmosphere of scholastic attainment of that great University. Referring to the civic welcome the Lord Mayor had given them, Mr. Holman said Belfast had a great past, and they believed it would have an even greater future. Some of the greatest industries in the world were centred there. It would be invidious for him to list them, but he could mention two—the linen industry, of interest to the ladies, and the tobacco industry, of interest to the men. As a professional body, they realised they were greatly dependent on industry, and in their wish to see prosperity in Belfast there was some selfishness, because they knew their prosperity depended on the prosperity of industry.

Mr. J. S. WHITE (President of the Belfast and District Society) seconded the vote, which was passed with acclamation.

The Conference continued on Thursday morning in the Great Hall of Queen's University, when there was given an

### ADDRESS BY THE PRESIDENT, Mr. WALTER HOLMAN, F.S.A.A. (LONDON).

He said: We are met this morning for the main purpose of our visit to this country and city, to confer together on our common professional problems, and it has become a tradition on such occasions as these that the President of the Society shall open the proceedings with an address.

You will, I hope, have noticed the subtle distinction in the descriptions of the contributions



to be made to the Conference by the President and by the able and distinguished members of the Society who will follow him. I have the more gladly accepted the duty laid upon me because the giving of an address affords to me opportunities, not available to the writers of papers, of unrestricted excursions and digressions.

May I at once use this freedom by extending on behalf of the Belfast and District Society and of the Society of Incorporated Accountants a very hearty welcome to our members and their guests who have gathered here from all parts of Great Britain and Ireland? Conferences such as this are not held so frequently as they were in the earlier days of the Society, and it is seven years since the last conference was held in Sheffield. The advent of international congresses at frequent intervals has necessitated a limitation of internal commitments, and the highly successful introduction of university refresher courses for the benefit of junior members of the Society has provided an alternative form of educational and social activity. But the Council recognises that such conferences as these have a real value and place in the Society's development, not the least part of which lies in the benefit which accrues to the members in the part of the country in which the conference is held.

The Society has not previously held a conference in Belfast, but it has held one in Ireland, for in 1911 there was an autumnal conference in Dublin, and it is a matter of great satisfaction to us all that Mr. A. H. Walkey, who, as Secretary of the Irish Branch, was largely responsible for the successful organisation of that conference, is with us to-day as President of the Branch, the thought of whose hospitality at the close of the present session nerves me for my present ordeal.

It is barely a month since my predecessor in this office at the annual meeting passed in review the recent activities of the Society, and I am therefore free to draw your attention to some important aspects of the Society's future.

I would first of all emphasise the significance of the reduction in the number of clerks articulated to members of the Society. Since 1931 there has been a slow but steady decline in the number of articles registered, and the same tendency is revealed by the statistics of the other accountancy bodies with the exception of the Institute of Chartered Accountants in Ireland, whose numbers were steadily increasing up to 1935, but declined last year. So far as our Society is concerned, no conclusive inferences can be drawn from the figures for articulated clerks alone because the number of such clerks, representing a large proportion of candidates, is augmented by others, of whom professional training of a high order is demanded, but who do not serve under articles. But the number of candidates for the examinations discloses the same tendency, and the two facts taken together appear to indicate that the rate of the Society's numerical expansion will be slower in the future than it has been in the past.

If this tendency were limited to the Society

it would be a matter for special concern, but in fact the same tendency faces all professional bodies, and it is almost certainly one phase of the larger world problem of stationary and declining populations. I do not for a moment suggest that because the problem is common to all professions it is any the less serious. Certainly there are those who will regard the tendency as a blessing undisguised, for it will, according to them, automatically correct the overcrowding of the professions. So far as the accountancy profession is concerned, I do not think the charge of overcrowding has been proved. Although the supply of accountants has increased enormously in the past twenty years, there has been a continuous increase in demand, and so far at least as London is concerned there is no evidence of overcrowding. In my view the expected decline in recruits is serious for all the professions. They are at a great disadvantage as compared with industry and commerce in their power to attract recruits. Industry and commerce offer greater immediate advantages, without the sacrifices which are inseparable from service under articles. But long views are necessary when choosing careers, and the decline in numbers now may well improve the future prospects of those who are willing to "scorn delights and live laborious days" in the pursuit of a professional qualification.

I do not doubt that the Society will resist the temptation which may arise to reduce the standard of admission in order to increase or even to maintain numbers. Such a step would be retrograde in the last degree and would be a complete reversal of the policy maintained throughout the Society's history. Quality rather than quantity has been and, I hope, will always remain our aim. But the problem is real and may become urgent, and it will not be solved by a mere passive acceptance of the inevitable. For my own part I think that the time will soon come, if indeed it has not already arrived, when the system of premiums for articles will have to be reconsidered. Constant renewal by the influx of recruits of the requisite education and personal qualities is a vital necessity for the maintenance of accountancy as of any other profession, and anything which hinders that influx must ultimately go if the profession is to survive.

But the obtaining of suitable recruits is not an end in itself: it is only a beginning, for the process of the education and training of articulated clerks must follow on their recruitment.

In my visits to various parts of the country I have been keenly interested in the facilities which are provided by universities and other educational bodies for tuition in accountancy generally and in the subjects demanded by the syllabus of our examinations. Speaking generally, the response to these facilities is not encouraging, and the reason seems to be that the majority of students prefer, or are obliged, to rely for their theoretical training on correspondence courses. Geographical considerations and the exigencies of accountancy work undoubtedly make attendance at regular courses

difficult in many cases, but I think another explanation is that only in rare instances do human beings acquire knowledge for its own sake; for the vast majority the pursuit of learning is laborious and irksome, and when examinations are the test of progress they seem to produce cramming as a natural reaction.

In view of these facts, I want to remind myself as well as my fellow-practitioners, of the obligations which an Incorporated Accountant assumes when he enters into articles of agreement with an articulated clerk. He undertakes "by the best ways and means in his power and to the utmost of his skill and knowledge" to instruct or cause his clerk to be instructed in the practice or profession of an accountant and auditor. I wonder whether we have been inclined to interpret the word "instruct" as referring only to practical training and to regard theoretical instruction as something outside our province? If so, I suggest that we have taken too narrow a view of our responsibilities, and that our articulated clerks have a right to expect from us not only an interest in their studies but guidance as to the facilities available to them, and my own view is that in such guidance the value of personal tuition should be emphasised.

But however good the instruction and the practical training received, it is true of every articulated clerk who has completed his articles and passed his examinations that he has only just begun to qualify as an accountant, and he will remain on the plane of mediocrity unless he is prepared to continue his studies and to keep abreast of the development of the profession. It was to promote and encourage this alertness that the Society's organisation was so developed some years ago that all members are now linked to a District Society and thus kept in touch with its many activities, including its lecture courses. The same purpose inspired the Society's courses held at Cambridge University which are now a permanent part of the Society's educational policy, and I entertain the hope that this conference will serve the same end.

A recent development carries the post-examination opportunities of the Society's members a stage further. I refer to the invitation to the District Societies to join in the research work which has been going on quietly and efficiently for more than two years. Determined from the start to maintain contact with the practical and the useful, the Research Committee has already begun to publish some of its work, and its recent invitation for the co-operation of a wider circle of members is timely. I hope that the invitation, which is also a challenge, will be accepted, because I see in this work great possibilities for those engaged in it, for the Society and for the profession.

I emphasise those last two words because, proud as we are of our Society and of our designation as Incorporated Accountants, we are part of a profession which includes us and is therefore greater. To ignore this would be a disservice to the Society,

and I should be guilty of ignoring it if I limited my address to our own problems, however absorbing.

I want, therefore, to say a few words on one aspect of the movement towards giving to the investing public fuller information regarding the businesses which belong to them. That movement is inspired by the more progressive elements in the profession, and it is expressed in many ways. In the efforts to obtain a strengthening of the law for the protection of the public, members of the Society have taken a prominent place. In the efforts to raise the standard of published accounts, professional periodicals have played a valuable part, and the criticism and comments of the financial press have given powerful support to the movement.

It seems to me that there is room for improvement in the quantity and the quality of the information which is given at the time the public is invited to subscribe for the purchase or the expansion of existing concerns. A prospectus, in the case of a public issue, or a statement in lieu of a prospectus, in the case of an offer for sale, must give a certified statement of the net profits of the business in respect of each of the three financial years immediately preceding the date of the prospectus. I suggest that this is inadequate, and that a summary of balance sheets and profit and loss accounts for the last three years would be a reasonable requirement, and would be much more illuminating than any other information which could be given in equivalent space. If we were advising a potential private purchaser we should ask for such information as a preliminary step in our investigation, and in my view an investor through the medium of a public offer is entitled to no less.

I further suggest that a statement should be included in the prospectus showing past profits in relation to the commitments arising under the new constitution. It is not difficult, for example, to imagine cases where impressive records of past profits would be reduced to inadequacy when subjected to charges for increased remuneration for management under contracts for service already entered into; to charges for depreciation on the increased value of assets to be acquired; to the necessary writing off of intangible and wasting assets and to the service of prior charges to be created.

It may be argued that the prospectus contains much of the necessary data and that a critical examination of that document by the prospective investor would give him most of the information he needs, but the fact is that the critical analysis of prospectuses demands knowledge and time which are not always available, and investors allow themselves to be swayed and persuaded by factors which frequently have little to do with the merits of the propositions.

The additional and clearer information which, I suggest, should be given in all cases, would only willingly be supplied by the promoters of issues and

offers for sale which were beyond reproach, and that is the reason why it should be made obligatory. But the case for fuller disclosure is even greater where shares are made available by the method of share introduction. In such cases especially the information available to the public, by whom the shares are ultimately acquired, may not be sufficient to enable the real value of the shares to be estimated.

I think the influence of the accountancy profession could do something to bring about an improvement in this direction, as it certainly has in the form and content of published accounts, and if that influence were reinforced by additional requirements in the direction indicated by the Committee of the London Stock Exchange before granting permission to deal, a further step would have been taken to protect the public. And I feel that such a step is called for now because I can foresee that a danger may arise such as has been inherent in conditions in the not very distant past—the danger of attempts to raise new capital on the basis of profits which are temporary in character or to effect capitalisation on the basis of boom profits. I know that the tendency is for shares to be valued for prospectus purposes on the basis of earnings yields. This is an important factor, but it should not be allowed to become dominant and virtually to exclude other important factors. Of these factors I shall mention only one by way of illustration, namely, the actual value as a going concern of the assets to be acquired.

I think it is important to stress these matters because I do not regard the recent lack of activity in the capital market as anything other than short-lived.

In order to avoid possible misunderstanding, I must disclaim any intention of advocating the estimating of future profits by accountants. Excursions into the realms of prophecy are outside the scope of our professional duty, but I am suggesting that we shall have the right and the power to interpret the past in the light of the future commitments which are known. The caution which is rightly characteristic of us as accountants may in the past have given the impression that our general attitude towards the problems of industry and commerce is negative rather than positive. In so far as that impression is justified, we are contributing less than we can to those who have the right to look to us for assistance and guidance. I am anxious that the Society shall make its full contribution and that our members shall be trained and equipped adequately to fulfil their tasks—tasks which are certain to increase in magnitude and complexity.

Mr. E. CASSLETON ELLIOTT, Past President, London, proposed a vote of thanks to the President for his address, which was unanimously accorded. He said he was particularly pleased that Mr. Holman had emphasised the importance of education in the profession, which would suffer if the standard of qualification was not maintained.

A Paper was then read on

## ACCOUNTANCY IN RELATION TO IRISH INDUSTRY AND COMMERCE.

By

Mr. D. TILFOURD BOYD, B.Com.Sc., F.S.A.A.  
(BELFAST).

Mr. BOYD said:—In submitting this subject, I feel that some justification is required for talking about ourselves. I find it in the knowledge that, though as a race we are not reticent, an accountant has never attempted to survey our Irish economic organisation in such of its aspects as affect the members of our profession. In the profusion of general literature on Irish industry and commerce no inconsiderable part of it has been written from a definite political standpoint, and for the purpose of this inquiry is of little value.

The Treaty of Versailles resulted in the creation of a number of new States, and almost at the same time there sprang into being two new political entities in what was previously known as the United Kingdom of Great Britain and Ireland. To us, who live in one of those entities, which we call Northern Ireland, it is something wonderfully interesting. We are seeing the growth of a new structure, and although the general plan is not new, there is sufficient of the element of change to satisfy the pioneering spirit which is in all of us.

In the second new political entity which we call the Irish Free State, the building which is being created is different. Many of the old foundations remain, but we see growing before our eyes a superstructure of almost entirely new design.

In this paper, I propose to put before you first, a picture in miniature of economic Ireland, and by endeavouring to make some comparison with the industrial structure of England and Wales, to show the conditions under which the profession here functions. In such comparative statistics as I find necessary to include, I propose, in general, to omit Scotland. The inclusion of further figures would not in any degree help the comparisons which I am endeavouring to make, and there would be a greater possibility of the wood being obscured by the trees.

From this starting point I wish to touch on some of the changes, legislative and economic, which most closely affect us as accountants. This basis of selection must, of necessity, exclude much legislation which is of paramount importance to the community in general—notably the Education Acts and the many measures aimed at improving conditions in agriculture. The time is not ripe to pass judgment on the ultimate effects of much that has taken place, and in the main I content myself with statements of fact, leaving conclusions to others.

Finally, as a third part of this paper, I propose to examine the strength of the profession in Ireland, and consider, as far as may be possible, the influences of the past years on our growth here.



## BEGINNINGS OF THE NEW IRELAND.

Northern Ireland, as a separate political entity, was created under the Government of Northern Ireland Act, 1920, and a separate Exchequer was established in 1921. The system then obtaining in the United Kingdom for control and administration of public finance was, with certain modifications, applied to the public finances of Northern Ireland. The powers of taxation of the new Government were limited by the exclusion of certain taxes—Customs and Excise Duty, Income Tax (including sur-tax, formerly super-tax), and any other taxes on profits. The administration and collection of these excluded taxes, and the activities of the Post Office, remained under the control of the United Kingdom, and the proceeds, which are known as reserved revenue, are paid into the United Kingdom Exchequer, a separate account being kept of the revenue attributable to Northern Ireland. From this is deducted the cost of reserved services and certain other charges payable by Northern Ireland, including the Imperial contribution, which is a yearly amount fixed by a joint Exchequer Board as a contribution towards the cost of certain services of an Imperial nature. The balance remaining is paid to the Exchequer of Northern Ireland, and is known as the "Residuary Share of Reserved Taxes." This limitation of the taxable powers of the Government here is obviously of great importance—an importance that can be measured by the fact that out of a gross Northern Ireland Revenue in 1935 of £10,100,000, no less than £8,600,000 was derived from reserved taxes, leaving only £1,500,000 to be collected under the authority of our local Government.

The routine of the accountant here includes at least as great a proportion of taxation work as in England, and we in Northern Ireland work under the same taxation laws and deal with the same officials as the accountants across the Irish Sea. There are certain sections of the Acts slightly modifying the position in Northern Ireland, but they are relatively insignificant, and the accountant here, as an accountant, has much more interest in the Finance Act of the Imperial Government, than in the corresponding Act sponsored by our own Minister of Finance.

The Irish Free State was set up in 1922, control being handed over in January of that year. For the purpose of this paper at least, it is, I think, justifiable to regard the new State as being complete and entirely independent. Full power vests in their Government to impose taxation, and an expansion of Customs and Excise duties has been an important factor in the industrial development of the new State. Geographic and economic considerations have resulted in a number of reciprocal agreements being negotiated between the Governments of Great Britain and the Irish Free State, and in so far as these agreements affect taxation matters, they touch the accountant in Northern Ireland very closely.

Subject to certain modifications, the Irish Free State has adopted the provisions of the English Finance Acts passed prior to, and immediately after,

its inception, and while subsequent Free State Finance Acts have made definite changes in income tax, the general principles remain unaltered. British and Irish cases are cited before the Free State Revenue Authorities and in their Courts, and the converse to this holds equally good.

As I speak of taxation, I wish to take the opportunity of paying tribute to the unvarying courtesy and consideration of the Revenue officials, both in Northern Ireland and in the Irish Free State. I feel that I am voicing the experience of all accountants in Ireland when I testify to the uniformly cordial relations which exist between the officers of the Revenue and the members of our profession.

## FUNDAMENTAL FIGURES AND COMPARISONS.

The most recent Census Returns give a population in Northern Ireland of 1,280,000 and in the Irish Free State of 2,966,000, while the 1935 estimate of England and Wales computes a population there of 40,645,000. While the population of England and Wales has in the recent past been increasing, the relative figures for Ireland are more disquieting. In Northern Ireland the population had been falling until 1891. Since then, an upward trend has been shown, though the total increase in the last forty-five years has been only 44,000. In the last hundred years, in the part of the country now comprised by the Irish Free State, the population figures have shown a continuous decline. This decline, rapid in the latter half of the nineteenth century, has been slowing up, and the fall in the last decade, ending in 1936, was only 6,000. Expressed in terms of area, the Northern Ireland figures show a population of 239 persons to the square mile as compared with 112 in the Irish Free State. The same figure for England and Wales, where the density of population is the second highest in Europe, is almost 700. The diffusion of population in the Irish Free State is more general than in Northern Ireland. In each country there is but one city of over 100,000 inhabitants, and in the Free State the population of the four largest towns accounts for slightly over twenty per cent. of the total. In Northern Ireland, the population of Belfast alone is rather over one-third of the entire total. This distribution almost automatically dictates the situation of the members of our profession. In Northern Ireland, with a few exceptions, practically all the accountants are to be found in Belfast, though the opening of branch offices in the smaller towns has been a marked feature of the last twenty years. This policy has not been followed to any noticeable extent in the Irish Free State, and by far the greater part of the work is done by firms in Dublin, and in a lesser degree in Cork, operating the work in the smaller towns direct from their head offices.

## ECONOMIC ORGANISATION.

Any examination of the position of the accountant in Ireland inevitably postulates some attempt to survey and contrast the economic position of this country with the much more highly developed organisation across the water. I intend to avoid

the pitfalls to be encountered in any rash attempt to compute or compare the wealth of the respective countries, and to consider only such information as may be accepted without undue qualification.

For practical purposes, the whole of Ireland may be considered as being entirely deficient in the basic minerals, all coal and iron being imported. Of the total area of Northern Ireland, 4 per cent. represents bog, marsh or barren mountain, while the corresponding figure in the Irish Free State is rather over 10 per cent.

Of fundamental and striking significance is the classification of population by employment, according to the census returns. Of the inhabitants returned as having an occupation, over fifty per cent. are engaged in agriculture in the Irish Free State; twenty-six per cent. are similarly returned in Northern Ireland, as against a six per cent. figure in England and Wales. Qualifications must be made in the case of both Irish figures, in that they are based on the Census of 1926. Whatever variation is disclosed in the more recent Census figures, which are not yet available, the fact of the great importance of agriculture will still persist, though subsequent developments in the industrial structure of the Irish Free State are of undoubted significance. To the practising accountant the potentialities of an agriculturist as a possible client are not, in the immediate future, very considerable.

#### JOINT STOCK COMPANIES.

I turn to the reports of the Registrar of Joint Stock Companies to examine the position from another angle. At December 31st, 1935, the number of companies having a share capital was:—

	Number of Companies	Percent- age of Total.	Paid-up Capital.
England and Wales ..	128,737	97.0	£5,212,700,000
Northern Ireland	1,601	1.2	47,600,000
Irish Free State	2,359	1.8	43,300,000

The above figures give an average paid-up capital as follows:—England and Wales, £40,491; Northern Ireland, £29,731; Irish Free State, £18,355.

A reduction to averages is not without its dangers, but a general conclusion on the relative strength of joint stock companies in Ireland compared with England and Wales is, I think, inescapable. No doubt this is partly due to the predominantly agricultural character of the country, and to the fact that there is only one large city in each of the two main divisions of Ireland.

The matters incidental to company flotation being by no means the least interesting or remunerative portion of our practice, the additions to the Register are worthy of consideration. The total number of registrations in 1935 was:—

England and Wales ..	..	..	13,104
Northern Ireland ..	..	..	75
Irish Free State ..	..	..	254

The Irish Free State figures, representing as they do over three-quarters of the total registrations in

Ireland, are a significant commentary on the movement towards industrialism which is taking place there.

#### THE CO-OPERATIVE MOVEMENT.

As far as it relates to agricultural produce, the co-operative movement in Ireland is not without importance, and the proportion of societies registered under the Industrial and Provident Societies Acts is much higher than in the case of joint stock companies. In number, the Irish societies represent approximately 15 per cent. of the total, as compared with a 3 per cent. figure in the case of joint stock companies. Co-operative distributive societies have never captured the mind of the public in the Irish Free State in the same way as in Great Britain, though in Northern Ireland the movement is of importance and enjoys increasing popularity.

#### DIRECT TAXATION.

Inasmuch as a considerable portion of our work is made up of taxation matters, it is scarcely possible to avoid some reference to the incidence of income tax. The compilation of statistics of this nature presents some difficulty and any figures must be accepted with a certain reserve. The yield of income tax and sur-tax in the year to March 31st, 1935, was:—

Great Britain ..	..	..	£277,290,000
Northern Ireland	..	..	2,752,000
Irish Free State	..	..	4,868,000

giving an approximate yield per person of £6 1s. in Great Britain, £2 3s. in Northern Ireland, and £1 13s. in the Irish Free State. During the period mentioned, the standard rate of income tax was the same in each country, and the variations in the allowances in the Irish Free State are too insignificant to affect these totals materially.

#### UNEMPLOYMENT.

The fact must be faced that the unemployment position in Northern Ireland is very unsatisfactory. The average number of unemployed persons here, expressed as a percentage of the total number of persons insured, was 23.2 in 1936—a sombre figure which has shown little variation in recent years. The corresponding figure for the Irish Free State was 13.8, a reduction of almost 3 per cent. from the previous year. The figures for April, 1937, in Great Britain show an average of 10.8, and an analysis of these shows that no area in Great Britain had as high a figure as Northern Ireland.

These figures are exclusive of agriculture, and the high percentage of persons employed in this basic industry in Ireland must be instanced as mitigating to some extent against the less palatable conclusions of these statistics.

From this, of necessity, very bare outline of the industrial structure of the country, I turn to consider the legislation passed by the Irish Parliaments which most closely affects us as accountants.

#### SIGNIFICANT LEGISLATION IN NORTHERN IRELAND.

One of the earlier Acts of the new Parliament in Northern Ireland was the Intoxicating Liquor Act

of 1923. This Act swept away all licences for the sale of intoxicating liquor in what we would term "mixed premises," viz., chemists and grocers. Its interest to us arose from the fact that provision was made for compensation, and in almost every case the claim was prepared by an accountant. The immediate gain through the preparation of these claims was considerable, but was relatively insignificant in comparison to the fact that a large proportion of small traders met our profession for the first time: a contact which, in many cases, has continued to their mutual benefit.

I mention secondly the introduction of company legislation. The Companies Act (Northern Ireland) 1932, followed somewhat closely on the new English Act, and I do not feel that any detailed comments are required from me. A further Act was passed in the following year, but its sole purpose was to make such minor amendments to the previous Act as were found necessary. No considerable company legislation has been introduced in the Irish Free State, where the control of companies is mainly governed by the English Act of 1908.

I may mention at this juncture that, while in all legal subjects our students have the option of taking either Irish or English Law in their examinations, their position is not without difficulty, in that, in their practice, they meet the new Northern Ireland Companies Act here, and the old English Act in the Irish Free State, while the majority of text books must, of necessity, consider the position from the standpoint of the English Act of 1929. This difficulty arises in a greater or less degree with other legal subjects, notably Bankruptcy Law and in Executorship Law and Accounts, as the Law of Property Act of 1925, and its kindred statutes, do not apply to either part of Ireland. I pay tribute here to the very sympathetic attitude of the Council to this problem. Everything possible has been done to meet the difficulties of our students, but unfortunately it is not a question that is susceptible of a completely satisfactory solution.

In the Valuation Acts Amendment Act (Northern Ireland) 1932, we feel that we can trace the influence of the British Treasury and its criticism of the Northern Ireland share of the reserve revenue. In the greater part of Ireland there had been no general re-valuation for over seventy years, and both here and in the Irish Free State, the owners of property had been rated on an assessment which was much below the letting value. A beneficent provision in the Income Tax Acts decreed that the Schedule A assessments in Ireland should be based on this rateable value, and in consequence of this the owner of property paid income tax on a figure which, in the majority of cases, was much below the net income derived from it. I have in mind a case coming within my own experience where Schedule A assessments were only slightly over £5,000, as against a net rental of over £8,000. The new Act provided for a quinquennial general re-valuation, while adopting generally the procedure and machinery of the earlier Acts. The first general re-valuation under

the Act was finished towards the end of 1934, and the new valuations first became operative for the year 1936-37. The new figures showed an average increase of over 36 per cent. on the old valuations, and the result has vested the whole position of assessments under Schedule A with a new importance. The effect of the old valuations was, in practically every case, to exclude the statutory repairs allowance, except in the case of property occupied by the owner. The new valuations have necessitated a general investigation into each net rental, and it has been found in the majority of cases that the new valuations are in excess of the net rental, less the repairs allowance. The result has been a spate of appeals, and a further opportunity given to the accountant to ensure that the liability of his client is correctly determined. The net rental of property may vary annually, and I visualise a continued and increasing scope for the services of our profession to all owners of property.

In the Irish Free State no amendment has been made to the Valuation Acts, but the anomaly of the low valuations for income tax has been recently met by basing the Schedule A assessments on the rateable value, with the addition of 25 per cent. Previous to this change, something had been done by providing for the assessment under Schedule D of the excess of the rent over the rateable value in the case of premises let for business purposes.

I conclude this portion of my paper with a reference to the Road and Railway Transport Act (Northern Ireland) 1935, the operation of which has been greatly exercising the minds of the accountants here during the past months. This Act, which represents the answer of our Parliament to the universal problems of road transport, provides for the setting-up of a Transport Board and for the co-ordination and pooling of net receipts with the railways. Provision is further made for compulsory acquisition of any passenger or freight concerns, and for the payment of compensation in the case of businesses so taken over. At the time of writing, 61 out of a total of 64 passenger undertakings have been acquired, and the total of freight concerns in the hands of the Board on April 30th, 1937, was 655. The ascertainment of the number of freight businesses was a question of no little difficulty, and at the date of this Conference there remain three out of the six Northern Ireland counties to be examined and combed out.

The Act provides that the compensation payable is to be determined by agreement, or alternatively, by an Arbitration Board. Nothing but general principles are laid down to guide the Board in fixing the amount of compensation, but the formula which has been used is to arrive at a fair average net profit. The compensation for loss of goodwill is based on a ten years' purchase of this figure, tangible assets being paid for separately. In computing the average net profit, an adjustment is made, where necessary, for the charging of a sum for remuneration in the case of a working proprietor, and for interest at four per cent. on the capital employed. The preparation of these compensation claims falls naturally



within our province, and, in fact, practically all the claims are being dealt with by the members of the profession. It is a matter of regret that the immediate benefit which accrues through contact with fresh sections of the community will, to a considerable extent, be lost, in their absorption by a quasi-Government Department. Considering the matter more broadly, the results of Departmental control in the case of a relatively new industry will be awaited with much interest. These results may have no little bearing on the position in England, where, to judge by reports of recent controversy, the position as regards freight traffic on the roads demands further action. In the Irish Free State the question has been dealt with by the elimination of the individual operator under payment of compensation, which was ultimately dependent on the decision of an Arbitration Board, the various concerns being acquired by the railways, the Grand Canal Company, or the Dublin United Tramways Company.

#### THE IRISH FREE STATE POSITION.

In the previous paragraphs I have touched on corresponding action which has taken place in the Irish Free State, and I wish now to place some emphasis on the fundamental change which is taking place there, as a result of the new policy of industrialism which is seeking to make the country economically independent.

The question of the encouragement of new industries by the erection of a tariff wall was considered of fundamental importance by the new State. A Fiscal Inquiry Committee was immediately set up and a report of its findings published in 1923. The general conclusion to be drawn from the Committee's report was that fiscal changes should not be undertaken without a careful consideration and a full examination into their possible reactions. The Free State Government imposed the first protective duties on its own initiative, but in 1926 there was established a quasi-judicial body known as the Tariff Commission which would consider all applications for protective duties. In the last four years the functions of this Tariff Commission have, for all practical purposes, been taken over by the Government, which now considers all applications for protective tariffs, and has extended the list of protected articles very considerably.

The Irish Free State Customs returns of 1933 show a revenue of £9,342,000 from 61 groups of commodities, while the figures for 1935 show a list of 112 groups, yielding a return of £9,445,000. This relatively small increase in the total yield, despite the increase in the number of taxed commodities, points very definitely to a large increase in home manufacture, particularly in view of the fact that the 1935 figures include the revenue from the emergency duties on coal and certain other British goods, the full result of which was not reflected in the figures for the earlier period.

Through the courtesy of the Department of Industry and Commerce of the Irish Free State, I have been supplied with a list of upwards of 70 new

types of industrial concerns which have been set up since March, 1932. It would be easy to over-emphasise the importance of this figure. Undoubtedly, many of the new concerns are relatively and actually small, and with this must be considered the fact that separate employment figures for these new industries are not available. There seems little doubt, however, that even when due weight is given to these qualifications, very considerable industrial expansion has taken place. The number of joint stock companies with a share capital at the time of the inception of the Irish Free State was approximately 1,500. In fifteen years, this number has advanced to 2,359, an increase of 57 per cent., while during the same period, the percentage increases of joint stock companies in England and Wales and Northern Ireland were 65 and 31 respectively. Again, it is necessary to avoid over-stressing the importance of these rather alluring percentages, as undoubtedly a great many of the earlier registrations in the Free State were simply re-registrations of English and Scottish companies previously trading in Ireland, and then floated as separate concerns to facilitate their operations there.

Obviously, the time has not yet come when one could pronounce any final opinion regarding the effects of the protective tariff. Many facts require consideration as against the undoubted industrial expansion which has taken place, facts which are rather beyond the scope of this Paper. The immediate effect of a tariff on price levels is inevitably to raise prices. This is reflected in the cost of living Index number, which averaged 160 in the Irish Free State in 1936 in contrast with the United Kingdom figure of 147, the base being 100 in 1914 in each case.

In any consideration of Free State industrial movements, mention must be made of the part played by the Industrial Credit Company. This company was floated in 1933 pursuant to the Industrial Credit Act of the same year, and though registered under the Companies Acts, is subject to a very considerable control by the Minister of Finance, who, amongst other matters, has power to fix the remuneration of the directors. The chief functions of this company are to underwrite public issues in the Irish Free State, or to give assistance in the financing of private companies, and it has undoubtedly played an important part in making financially practicable the creation and expansion of many of the new industries. The company does not merely consider the financial aspect of any proposal put before it, but examines fully the economic possibilities as regards output, supplies, personnel, and similar matters. The preparation of claims for submission to the Industrial Credit Company has fallen to a great extent on the accountant, and our profession has played an important part in the negotiations which have ultimately placed many new companies on the register.

I feel that any observations affecting the practising accountants in the Irish Free State would be incomplete without some comment upon an action taken five years ago by the Free State Revenue Department in relation to Back Duty cases. Following a reference

in the Budget speech of the Minister of Finance in 1932, a circular was issued inviting all individuals who had not fulfilled their tax obligations, to make a proposal undertaking to do so. On a form which was supplied, the applicant undertook to furnish to the Revenue Commissioners by a certain date, such accounts and information as the Commissioners would consider necessary, and further undertook, when required, to have the accounts certified by an accountant approved by the Board. When this undertaking was carried out, the Revenue agreed to accept a reduction of twenty-five per cent. of the total income tax and super or sur-tax due from 1914, without the imposition of penalties, or the charging of interest. At the same time, legislation was introduced, giving the Revenue much greater power in dealing with subsequent defaulters. The action taken by the Revenue was amply justified by results, and I feel that it is worthy of reference, not merely because the matter was of considerable importance to our profession, but also as evidence of a psychological insight which is not always present in the official mind.

#### THE ACCOUNTANCY PROFESSION IN IRELAND.

I have endeavoured to touch very briefly on some facts which appear to have significance for us, in these two new Irelands which have come into being. I now come to examine the strength and growth of our profession in these fifteen changing years.

The immediate practical difficulty which presents itself is to determine precisely what constitutes an accountant, a difficulty which is accentuated considerably if a comparison is to be made with the much larger area in Great Britain. In limiting my figures to members of the three Societies of Chartered Accountants of Scotland, the Institute of Chartered Accountants in England and Wales, the Society of Incorporated Accountants and Auditors, and the Institute of Chartered Accountants in Ireland, I am very conscious that I must of necessity exclude many firms of standing who are members of other bodies. If any practical comparison is to be made, I am left with no alternative and, incomplete as this method is as an indication of the total strength of the accountancy profession, it seems to throw into greater relief some very significant figures.

In 1921 and in 1937, the approximate numbers of Chartered and Incorporated Accountants were:—

	1921.	1937.	Percentage Increase.
Great Britain ..	8,591	20,060	134
Northern Ireland	109	267	145
Irish Free State..	82	231	180

These figures can only be regarded as approximate on account of the respective Year Books being made up to different dates, and also the fact that there is a relatively small number of accountants who are members of more than one body. These qualifications are not of sufficient importance to affect the position materially. To my mind, these stark percentages are more eloquent than any number of

speeches as showing the expansion which has taken place.

If I may digress for a moment from the immediate scope of my paper, an analysis of these figures may be of interest as showing the strength and growth of the various bodies of accountants in Great Britain to which I have referred. The grand totals are divisible as follows:—

	1921.	1937.
Chartered Accountants of Scotland .. ..	1,215	3,229
Institute of Chartered Accountants in England and Wales .. ..	4,792	10,942
Society of Incorporated Accountants .. ..	2,584	5,889
	<u>8,591</u>	<u>20,060</u>

I have sought for a formula which would permit of these figures being expressed in relation to the industrial power and progress of each country, but while various possibilities suggest themselves, I cannot regard any of them as even approximately satisfying.

That the increase in membership is far in advance of population changes is, of course, obvious, and if I may refer back for a moment to my summary of the number of company registrations, it will be found that our numbers have increased out of all proportion, if measured by that standard. This is particularly notable in Northern Ireland, where the increase in the number of companies is only 31 per cent., against a percentage increase in our membership of almost five times that amount. I do not feel, however, that any useful purpose would be served by pursuing the question further along lines such as these.

Earlier in this Paper I made reference to the concentration of our members in the two capital cities of Belfast and Dublin—capital cities, but relatively small ones—and therefore presenting to us the opportunity of establishing more intimate contacts with the administrative and legislative departments than could be possible in larger communities. The question of the desirability of amalgamations of firms has been frequently canvassed in recent accountancy discussions, and in Ireland—both North and South—the very intimacy of our position in the life of our State would afford the larger firms a correspondingly greater prestige. While amalgamations, as such, are relatively infrequent, the tendency in Northern Ireland is, I think, towards larger firms than in the Free State, where the number of individual accountants or small partnerships is considerable.

Our position in the centre of relatively small communities has been instrumental in opening up for our non-practising members a considerable field outside accountancy. A complete list of the members of the Institute and Society who have been absorbed in other activities is not readily ascertainable, but on a conservative basis no less than twenty-two per cent. of the total membership in Northern Ireland finds employment in a Government or quasi

Government Department, or in industry, while in the Free State the percentage is only slightly less than this.

I close this Paper with a caveat against any suggestion that we have reached saturation point, as far as our members are concerned, for there is still considerable scope for the capable accountant. The realisation of the value of the services which we have to render has perhaps come more slowly here than in the more intensely developed portions of Great Britain, and it is to us, and those who follow after us, to ensure that these services are of increasing value to the communities in which we are placed.

#### Discussion on Mr. Boyd's Paper.

Mr. ROBERT BELL (Belfast) said he was sure that in expressing the pleasure with which he had listened to the paper he was only voicing the sentiments of the whole audience. Accountancy in relation to Irish industry and commerce did not seem, on first consideration, to be a text which would offer Mr. Boyd full scope for his abilities, but as he expressed his thoughts, interest became merged in admiration of his courage and wisdom—courage in dealing with conditions in two politically different countries almost simultaneously in one paper, which he did in a masterly non-political fashion, and wisdom in contenting himself with statements of fact and leaving conclusions to others. It was apparent that the term industry and commerce in Ireland must of necessity mean something different from the same term used in England. The absence of basic minerals and the presence of large areas of bog and barren land were natural disadvantages which could only be overcome by an intensive application of industry. It was evident from joint stock company statistics that commerce, both in the North and South, was becoming more and more centralised, thus offering scope for the accountant both in a practical and advisory capacity. Commerce was becoming more accountancy minded. The accountant's duties in the past twenty years had increased enormously, and consequently it was not surprising that the number of Incorporated and Chartered Accountants had increased in Ireland by some 160 per cent. He did not, however, view without some misgiving the fact that so much time had to be spent on taxation work. He was inclined to think that Mr. Boyd was under-estimating the position when he stated that the routine included as great a proportion of taxation work as in England. He was of opinion that it included a great deal more, owing to double taxation relief claims and double residence claims as well as a necessity for full knowledge of the taxation intricacies of two countries. They should in some way lead not only the commercial community but also the agricultural community to recognise that accountants were capable of rendering service far above taxation matters and ordinary routine. Clients should be discouraged from regarding the accountant as an annual or semi-annual luxury engaged to tell them in a word the profit earned or the loss sustained during a given period. They should be encouraged to look upon him as a necessity in the capable running of their businesses. The Ministry of Agriculture was endeavouring to bring about improved conditions in agricultural life, but it was quite apparent that the collection of costing data was a task which could not be lightly undertaken. The Ministry had tried in the marketing of pigs to arrive at an equitable distribution of the costs of the industry as between producer and merchant and as between merchant and consumer. It had been found that statistics in so far as they were available at all were not in comparative form. He thought the accountant must share that responsibility with the merchant. More recently the Ministry had attempted to apply equitable costing principles to egg marketing, and again it had been found most difficult not only to get reliable costing data but also to have the data in a comparative form, even amongst merchants engaged solely in the

industry. Until the producer—in other words, the agriculturist—was able to produce reliable data, costing must begin at the point of consumption and work back to the point of production rather than begin at the point of production and work forward to the point of consumption. It was becoming more and more evident that the farmer must in his own interests become interested not only in his production but also in the cost of his production. To do this he must become interested in the accountant and the accountant must become interested in him. They could not have the one without the other, and he was convinced that when such a task was taken up the relationship of accountancy to industry and commerce would become something of real and vital importance to the community at large. Mr. Boyd had not dealt particularly with the tendency for commercial houses to place trained accountants in charge of their various financial departments. The gradual absorption of accountants into the staffs of commercial houses was in many ways an admirable step and one which must in the long run have results favourable to the profession. In the interval, however, it was unfortunate that highly skilled and efficient accountants were to an extent withdrawn from the services of the commercial world in general and located in a particular industry. Accountancy examinations were severe and the curriculum extensive, consequently the growth in membership was perhaps not quite so fast as some of the student members would wish. There was a tendency that students after a prolonged period of study might be tempted to embark on a commercial career rather than continue the specialised study and the intensive application necessary for the practising accountant. The accountant was essentially a trusted servant of industry and commerce and he must be worthy of that trust. The community were entitled to regard him as a rock, firm to his convictions, whose integrity was beyond dispute, and who, when his path was clearly defined, would follow that path, deviating neither for favour nor for price. (Applause.)

Mr. A. H. WALLEY (Dublin), President of the Irish Branch, said Mr. Boyd had undoubtedly compressed into a short time the essential points of a subject which would take many hours to discuss fully. Many English visitors would wonder what attitude the Government of the Irish Free State adopted towards new enterprises which desired to commence in the Free State, particularly when those enterprises were started by friends from across the Irish Sea. The Government gave every consideration to those schemes, generally through the Department of Industry and Commerce. Instead of being a purely Civil Branch, that Department had become competent to deal with questions relating to business. It was occupied in the weighing-up and considering of the various schemes brought forward. If the schemes got the approval of the Department, every reasonable assistance was given in carrying them out. For some time past it had been the policy of the Free State Government to endeavour to spread employment throughout the country. They would not sanction the building of additional factories round the principal towns, except for some particular reason, but elected to send the enquirer to some more remote provincial town to create employment in that area. Through the industrialisation of the Irish Free State a great deal of work had been given to the accountancy profession, and it was constructive work. In spite of that industrialisation, however, farming must remain the mainstay of the country.

Mr. F. J. ALBAN, C.B.E. (Cardiff) said that in Wales they were particularly interested in the political entities created in Ireland. One thing had struck him after hearing Mr. Boyd's address—that the question of finance was predominant in the question of autonomy. In the Principality there were many people who believed that they could manage Welsh affairs better than they were managed from London. Industry in Wales had been in a parlous state for many years, owing to the decline in the coal industry. There was any amount of coal but no one seemed anxious to buy it. In South Wales they had now trading estates set up by the Government and



the Nuffield Trust, where attempts were being made to create a number of light industries in predominantly coal-mining areas. Time alone would determine whether they would be a success. In a manner similar to that in the Free State, the Government were trying to spread out industries.

Mr. RICHARD A. WITTY (London) said Mr. Boyd had given certain statistics but had made no reference to the businesses conducted by private traders. There was always a danger of forgetting the importance of small businesses. After all, a large amount of business in that country was undertaken by private traders, which the glamour of the multiple shops and chain stores was apt to make them forget. The whole commercial world would soon be divided into two categories—job makers and job takers. They must consider the small trader because the large one could usually look after himself. A thousand small business men each making £1,000 profit per year were of greater economic importance than a single unit making £1,000,000.

Mr. WILLIAM KEITH (Belfast) referred to the present-day tendency to create monopolies such as the Northern Ireland Road Transport Board which had taken over upwards of one thousand small firms. "That means," he added amid laughter, "a thousand potential clients gone west." A large percentage of the accountant's work existed because of income tax, and many people only consulted an accountant when they got into difficulties over that. It was fashionable in Northern Ireland to register businesses as limited companies, because it sounded better. In talking of the increase in the number of companies in Northern Ireland, consideration must be given to the amount of capital involved.

Mr. J. E. SPOORS (Newcastle) referred to the establishment of a transport board in Newcastle. That meant the loss of potential clients, while a number of their members were forsaking the profession to become employees of the board.

Mr. J. J. POTTER (Birmingham) also spoke, and referred to the question of transport in the Birmingham area.

Mr. BOYD, replying to the discussion, said in his collection of statistics it had been impossible to find out the details, mentioned by speakers in the discussion, with regard to small traders and businesses. As regards the Transport Act, he felt that its operation was experimental and that it was being watched with considerable attention from across the Channel. In so far as it was good, it might be followed in England, and that country would profit from Ulster's mistakes. In the first place, it was being "tried on the dog."

Mr. R. WILSON BARTLETT (Newport, Mon.) proposed a hearty vote of thanks to Mr. Boyd for his interesting paper. The vote was unanimously passed.

The concluding business session of the Conference was held in the Great Hall of Queen's University on Friday morning, June 25th, when a paper was read on

## THE STRUCTURE OF LIMITED LIABILITY COMPANIES.

Mr. FRED WOOLLEY, J.P., F.S.A.A.  
(SOUTHAMPTON).

Mr. WOOLLEY said:—When the principle of limited liability was first adopted by the Companies Act of 1862 (since repealed) the framers of that legislation relaid the foundations of trade and commerce. They built so well that although important variations have been made in the superstructure by subsequent legislation the foundations have remained essentially unaltered.

It may not be inappropriate in passing to glance at the situation which led to the passing of the Act

of 1862. The country had during several decades enjoyed rapid industrial development, due largely to the inventive genius and initiative of our scientists and engineers. Mechanical processes had made possible the production of goods upon a large scale and had greatly reduced unit costs, bringing about an enormous expansion of trade at home, while the doors of the Empire were open wide for the admission of British products. Beyond all this that trait in British character which makes it difficult to produce anything but the best ensured an entry into foreign lands and secured for British manufactures a preponderating place in the markets of the world.

At this time it was not surprising that the capital requirements of industry outstripped the resources of individual manufacturers and distributors. Wealth increased by leaps and bounds but was not wholly available to industry by reason of its diffusion over a greatly enlarged section of the community. This led to the development of cumbersome partnerships and haphazard methods of lending and borrowing, which still proved inadequate and indeed brought about certain evils inseparable from a system of unregulated investment.

Industry was crying out for capital resources for the provision of buildings, plant and stocks, and for the financing of exports, while the savings of large numbers of people who were not themselves proprietors of businesses required an outlet more profitable than bank deposits or investments in public funds could provide.

These, in brief, were the factors that suggested the legalising of investments in industry upon a footing that would limit the liability of investors to the amount of the share capital subscribed. Hence the passing of the Companies Act of 1862, which produced far-reaching and beneficial effects upon the industrial, economic and social life of the community.

### GROWTH ATTAINED UNDER LIMITED LIABILITY.

The vast extent to which the system of associated ownership with limited liability as provided by the Companies Act has been utilised may be gathered from the latest Board of Trade report on Companies, wherein it is stated that on December 31st, 1935, no less than 137,374 live companies remained on the Register, 14,679 being public companies with a paid-up capital of £3,938,977,857, and 122,679 being private companies with a paid-up capital of £1,706,088,174, or a total paid-up capital for both public and private companies of £5,645,066,031.

It is said that where statistics are concerned the imagination should have no place, and no doubt it is very sound to apply this maxim in the preparation of statistics. But for the interpretation and appreciation of figures such as those quoted, and for seeing what lies behind, there is more than ample scope for even the most lively imagination.

Any attempt, however, to describe the ramifications of trade and commerce with its variety of products, its mechanisation and mass productions, its craftsmanship, its inventive genius, its adminis-

trative skill, its scientific research, its labour of mind and body, its co-operation and endless effort to wrest from nature the things needed or desired by man, must on this occasion be resisted, though all this and infinitely more may reside in the background of our subject.

Nor is it necessary here to trace in detail the stages of evolution through which the structure of limited liability companies has passed, the cumulative results of which after considerable expansion and some contraction are now incorporated in the Companies Act of 1929, all other Acts having been repealed.

#### SEARCH FOR DEFECTS AND REMEDIES.

The immediate purpose of this paper is, having regard to the vast interests affected by the operation of companies limited by shares, to deal with certain defects in their structure and suggest possible remedial measures. It is not hoped to reveal anything new or startling, but rather to initiate a discussion out of which may emerge something of value. I would like in passing to pay tribute to the valuable work that has already been done in the same direction, particularly by Mr. Henry Morgan, F.S.A.A., a past President of the Society of Incorporated Accountants, and by other of the Society's leading members.

#### INCORPORATION DOCUMENTS.

The document upon which a company is founded, and which has been not inaptly described as a company's charter, is its Memorandum of Association, which must state:

- (a) The name of the company.
- (b) Whether the registered office is situate in England or in Scotland.
- (c) The objects for which the company is formed.
- (d) That the liability of the members is limited.
- (e) The nominal amount of capital and the number of shares into which it is divided.

The Memorandum must be signed by the minimum number of subscribers as required by the Act (seven in the case of public companies and two in the case of private companies) stating the number of shares subscribed for by each signatory, and it must be filed with the Registrar of Joint Stock Companies.

A company must also have Articles of Association setting forth the regulations of the company, signed by the subscribers to the Memorandum of Association and filed with the Registrar of Joint Stock Companies; or, in the absence of special Articles of Association, then the regulations included in Table A of the Companies Act apply.

#### CONTENTS OF OBJECTS CLAUSE.

The Memorandum of Association is usually drafted on broad lines so as to give wide powers, say, to sell a mutton chop or to build a railway to the moon. That being so it might be argued: "why not dispense with the objects clause altogether, and assume unrestricted rights to engage in any trade or activity likely to be profitable to the company?"

Setting fancy aside, as becomes the occasion, it is an almost invariable rule to set forth one principal object to which all others are complementary or ancillary. If the objects of a company could give anything in the nature of a roving commission that would be contrary to public policy. And apart from any questions of public policy, which must be the governing consideration in a matter of this kind, there is very good reason in common sense for making the Objects Clause specific and clear.

Investors would not be likely to become shareholders and subscribe their money except on the faith that it would be devoted to certain stated objects, and to make it possible to spend subscribed capital upon any speculative enterprise that might crop up would not only be manifestly unfair, but fraught with danger.

#### PRIVATE COMPANIES.

So far as the principle of limited liability is concerned there is, of course, no difference between a public company and a private company, though the latter is subject to important statutory restrictions which in fact define its constitution.

In the case of a private company, it must by its Articles of Association:

- (a) Restrict the right of members to transfer shares.
- (b) Limit the number of members to 50 (exclusive of shareholders who are past or present employees).
- (c) Prohibit the offering of shares or debentures to the public.

In return for these restrictions it has the privilege of being properly constituted by having two members only, and is relieved of any obligation to file its balance sheet from year to year with the Registrar of Joint Stock Companies.

Let it at once be said that there would appear to be no inherent objection to what is known as the one-man company. The fact that the second shareholder may be a merely nominal member holding one share only and that such member may be the husband, wife, child or other relative of the real proprietor does not vitiate the underlying principles of the Statute or compromise public policy.

The private company arrangement gives well-known advantages as compared with a personal ownership or partnership, and provides a convenient constitution for business undertakings, relieved of the risk of unlimited liability, subject to compliance with comparatively simple and unobjectionable conditions. Individual enterprise has been greatly stimulated thereby, as evidenced by the fact that 89 per cent. of the companies on the Register are private companies.

#### DEBENTURES (PRIVATE COMPANIES) AND RIGHTS OF CREDITORS.

The position arising from the freedom of private companies to issue debentures (other than by means of an offer to the public) has exercised the minds of

many, and especially of those concerned for the reasonable protection of creditors' interests. Instances have from time to time come to light pointing to abuses calculated to work serious injustice, arising from the fact that a debenture may not only constitute a specific charge on freehold or leasehold property, but may in addition carry a floating charge upon all other assets, and, further, that an issue may be made to shareholders or directors or their friends in circumstances which ultimately leave creditors high and dry with no effective remedy. For example, a sole proprietor may convert his business into a private limited company, taking a portion and possibly a minor portion of his capital in shares, and the remainder in debentures. In a comparatively short time the company fails, when the assets on realisation prove insufficient to cover more than the debentures, leaving creditors without payment and equally without remedy. Moreover, the failure of the company may be due partly or wholly to the payment of extravagant salaries to the directors and their relatives employed by the company. A similar unsatisfactory situation arises where the shareholder-director sees the probability of failure ahead and either himself or through a friend subscribes cash for debentures ostensibly for the purpose of financing the business at a difficult period but actually so that when the crash comes he will be covered wholly at the expense of creditors. It is not easy to legislate against such malpractices without at the same time placing undue restrictions upon legitimate means of financing private companies, but that there exists here a defect in limited liability company structure cannot be doubted.

To prohibit private companies from issuing debentures with a floating charge would be too drastic and might be impracticable. The worst consequences might perhaps be prevented by providing that in the event of a winding-up or sale of a private company's business, not more than a given proportion—say one-half—of the net amount realised on disposal of floating assets should be available for debentures carrying a floating charge, thus leaving an equal amount for distribution to preferential and non-preferential creditors.

#### HOLDING COMPANIES AND SUBSIDIARIES.

It is no doubt a correct supposition that when private companies were first defined by Statute, it was contemplated and intended that public and private companies would in practice be entirely separate and distinct, that inter-relationships would be unlikely if not impracticable, and that the investing public would have no interest directly or indirectly in private companies. But unforeseen changing conditions, coupled with the resourcefulness and ingenuity of man, often outwit the most carefully laid plans, and there has grown up a widespread system of inter-relationships between public and private companies which, it is not too much to say, have largely defeated the statutory provisions designed for the protection of the investing public.

The practice has grown up of large holding com-

panies utilising private companies as subsidiaries, by means of which it is possible for a holding company completely to disguise its character and withhold from its shareholders information as to the real nature of assets that appear in its balance sheet merely in the form of investments in subsidiary companies. True, the position created by this situation has in some measure been met by certain provisions of the Act of 1929, which require :

- (1) That shares held in subsidiaries and debts owing to or by subsidiaries, including loans, are to be separately stated in the balance sheet.
- (2) That a statement must be annexed to the balance sheet stating how the profits or losses of the subsidiaries have, so far as they concern the holding company, been dealt with in or for the purposes of the accounts of the holding company, and particularly how and to what extent
  - (a) provision has been made for the losses of a subsidiary company either in the accounts of that company, or of the holding company or both, and
  - (b) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the holding company as disclosed in its accounts.
- (3) That particulars of any qualification in the auditor's report in relation to subsidiaries must be annexed to the balance sheet of the holding company.

It is, however, not too much to describe these requirements as meagre, disjointed, and incapable of conveying any reasonably complete information either to actual shareholders or to potential shareholders. That a subsidiary company might be in a state of insolvency without that being revealed by the fulfilment of statutory requirements is a sufficient proof of inadequacy. It may well be that some shareholders are content so long as they receive dividends of ample proportions; but whether shareholders desire adequate information or not is beside the point. The only sound view is that they are entitled to have it placed in their hands in pursuance of a right inherent in the principle of proprietorship.

It is doubtless regarded as a major objection to the publication of fuller information regarding subsidiaries in the form of private companies, that the rights of minority shareholders are entitled to consideration and immunity. It is true that a holding company, although possessing a controlling interest, may, as is in fact contemplated by the Act, hold a portion only of the share capital, but it is a well-established and in these days incontestable principle that the minority interest must from the point of view of public policy be subordinated to that of the majority. When carefully scrutinised the claim for immunity from publication of matters affecting a minority shareholding interest has upon its merits little of substance to support it.



The theory that the private business affairs of persons individually or collectively should not be exposed to the public except where the public have some direct concern therein is a perfectly legitimate doctrine. But in the case under discussion where the advantage of limited liability as provided by the Act is utilised, but the duties and obligations imposed upon public companies are largely though legally evaded through the medium of subsidiary private companies, the public have a direct interest of considerable consequence. The case for publicity of adequate particulars for the benefit and protection of the primary investor, who by these interlocking devices finds himself perplexed and baffled in an inextricable maze of imperfect information, seems unanswerable. For what are the possibilities under the present inadequate regulations? A holding company may have the whole or any portion of its assets in the form of investments in subsidiaries. Even at this stage the true and ultimate character of the assets of the holding company are completely hidden from the view of its shareholders and its creditors. But its subsidiaries may in turn hold investments in other subsidiaries and this process may proceed almost *ad infinitum*. But that is not all. The subsidiaries may in turn hold investments in the share capital of the holding company and, although this latter practice is probably not common, it is known to exist, and no one has the means of ascertaining to what extent. How perilously near such transactions approach the employment of a company's funds in the purchasing of and dealing in its own shares will be readily appreciated. The confusion resulting from these interlocking devices would be Gilbertian if not for the serious consequences that might ensue. Except in a technical sense the parent can hardly be distinguished from the children. Their affairs are so inextricably mixed up that if you could see them all you would scarcely know one from the other. A family bred on such lines would indeed be a monstrous social agglomeration. "Shem, Ham and Japheth they were called, but who was Japheth's father?"

In what direction may remedies be found for these structural defects in limited liability companies? The most effective plan that has yet been suggested is the publication by every holding company, as a supplement to its own balance sheet, of a combined or consolidated balance sheet setting forth in reasonable detail all the assets and liabilities of its subsidiaries; dividing the capital in each case in such a manner as to indicate what proportion of capital in whatever form is held by the holding company; dividing the reserves applicable to the shareholding; and stating as separate items debts and liabilities as between the holding company and its subsidiaries and as between the subsidiaries themselves. There should also be published an aggregate profit and loss account on a corresponding basis dividing the net profit or loss applicable to the holding in each case.

It is a question worthy of consideration in any amending legislation that may be promoted as to whether subsidiary private companies should be

permitted to acquire capital in any form in sub-subsidiaries, and there would probably be overwhelming agreement that the acquisition by a subsidiary of shares in its parent company should be prohibited entirely. Furthermore, the position of the industrial investing public would be strengthened and the more ample publicity now advocated would acquire consistency if the law provided that subsidiary companies immediately upon assuming that character should, *ipso facto*, cease to be private companies, thus placing upon them all the obligations attaching to public companies.

#### RESTRICTION OF POWER TO ISSUE DEBENTURES.

The unrestricted power that may be taken through Articles of Association to create and issue debentures carrying a floating charge constitutes a flaw in the structure of limited liability companies which deserves consideration. The use of debentures for securing loan capital at low interest rates may within reasonable limits be considered good policy, as thereby the margin of profit available for dividend or reserves is increased. Debentures of inordinate amount compared with share capital issued may cause no ill effects so long as trading operations are prosperous. But prudence enjoins that due regard should be had not only to the prospect of prosperity but also to the possibility of adversity, as in the latter event a relatively excessive amount of debentures may well result in unmerited hardship to shareholders and/or creditors. Considered in the abstract the degree of limitation should be fixed by reference to the nature and value of the assets, but such a basis would involve undesirable complications and uncertainties. The existing practice of relating the amount of debentures authorised to the amount of issued share capital has the merit of being simple and direct, and could be made to operate with reasonable fairness by abolishing the unlimited discretion now possessed by companies in favour of restriction by statutory enactment.

#### VARIETY IN SHARE CLASSES AND DENOMINATIONS.

There has been a strong tendency during recent years towards multiplication of share classes with rights and conditions attached that require very careful study before the investor can judge precisely what should be the valuation of particular shares. Simplification and standardisation subject to some elasticity to avoid risk of cramping legitimate means of raising capital are long overdue. It is, however, frequently difficult and sometimes dangerous to attempt to reconcile the varying interests of the different classes of shareholders in established concerns. To appreciate this fact one has only to recall a number of cases where an attempted simplification of the capital structure has been taken to the Law Courts.

In preventing undue complexity of capital structure from arising during the life of a company, and in making the capital structure as simple as possible at the initiation of a company, the accountant can play an important part, and he should specially

take into consideration the relationship between the different types of shares and the factors influencing the most desirable relationship.

#### SHARES OF LOW DENOMINATION.

The placing of shares of very low denomination, say, 2s. or 1s., upon the market probably results in a diffusion of capital holdings and therefore utilises to the full one of the great advantages of the limited liability company form of business. But it also has grave disadvantages. Such small shareholders are frequently not able properly to investigate new issues and the affairs of the business in which they have an interest, nor are they able to exercise any considerable degree of control. All interests concerned would be better served by the adoption of £1 or multiples thereof as the standard denominations. Apparently no body of a sufficiently representative character exists that would deal effectively with a matter such as this by voluntary process, consequently there remains no alternative but to look for amendment by legislation.

#### PROFIT AND LOSS ACCOUNT AND BALANCE SHEET.

The directors of every company are required by sect. 123 of the Companies Act, 1929, to lay before the company in general meeting once in every calendar year, &c., a profit and loss account and a balance sheet and by sect. 130 a copy of such balance sheet, together with other documents required by law to be annexed thereto, including a copy of the auditors' report, must be sent to all persons entitled to receive notices of general meetings.

While the contents of the balance sheet are somewhat elaborately set out in sects. 124, 125, 126 and 128 there is no stipulation as to what constitutes a profit and loss account, with the result that in many if not most cases the particulars, whittled down to the fewest possible items, amount to a profit and loss account in name though not in substance. Indeed, in many instances, not much more than what amounts to an appropriation account is given. Evidently Parliament intended to permit the narrowest possible interpretation by not laying down a definition or stating what items or classes of items are to be included. Perhaps an adequate answer to any criticism of Parliament in this connection would be that professional accountants have not evolved a universally accepted definition or form of profit and loss account. Be that as it may, if the dictum holds good that shareholders' rights should be interpreted generously rather than narrowly, it might be suggested that such an account should open on the credit side with "Gross profit, being margin of selling price in excess of cost of goods sold," or the equivalent in cases where this form of expression would not be appropriate. The effect of this would be that other earnings or income would be set out, and that administrative, selling, and distributive charges, together with interest, depreciation, taxes and the like, would find place on the debit side. A profit and loss account prepared on these lines even though not

split into still greater detail would, on comparison of periods, provide sufficient material to enable intelligent conclusions to be formed, and this it is suggested should be regarded as the minimum from the shareholders' point of view.

#### RIGHTS OF CREDITORS.

Reference has been made to the unsatisfactory experience that is sometimes the lot of creditors of private companies which issue debentures carrying a floating charge. In certain other respects the rights of creditors are apparently ignored. Where a receiver for debenture holders carrying a floating charge is appointed and the company concerned does not for the time being go into liquidation it would seem reasonable that the receiver or the directors should be required to prepare and send to the shareholders and creditors a statement of affairs, and that at half-yearly intervals the receiver should be required to issue to the same parties a copy of his statement of receipts and payments. It might be argued that shareholders and creditors have their own means of protecting their own interests by seeking one or other of the winding-up processes. That, of course, is indisputable, but it would doubtless be conceded that in equity creditors have an obvious right to information upon which to base their action, otherwise costs may be incurred unnecessarily or desirable proceedings prevented. A similar position applies to voluntary liquidations in that a liquidator is not required by law to issue accounts to creditors. These omissions are not unimportant, and pending revision of the law it is probable that most professional accountants acting in the capacity of receiver or liquidator would issue periodical statements to creditors as a matter of courtesy and equity.

#### AUDITORS.

The Act acknowledges the necessity for an annual audit of the books and accounts of limited liability companies but does not even hint that any qualification—special or general—is necessary in the person appointed as auditor. According to the Act, a person has only to be appointed and he thereby becomes an auditor even though he be an illiterate or an imbecile.

Yet the office of auditor is properly treated as of great consequence in the three clauses (132, 133 and 134) covering the subject, which provide:

An auditor must be appointed at each annual general meeting.

He may hold office only until the next annual general meeting.

In default of appointment at annual general meeting the Board of Trade may appoint.

Except by compliance with requirements laid down by sect. 132 (sub-sect. 3) no person other than the retiring auditor is capable of being appointed.

His remuneration must be fixed by the company at the general meeting.

He must make a report to the members on the accounts and balance sheet, and therein make two statements specifically.

He has a right of access to books, accounts and vouchers of the company.

He may require information from the directors and officers of the company.

He is entitled to attend any general meeting at which accounts examined or reported on by him are to be presented and to make any statements or explanation he desires with respect to the accounts.

It should, however, not be overlooked that while no professional qualification is exacted by the Act there are certain persons disqualified, viz.:

1. A director or officer of the company.
2. Except where a company is a private company a person who is a partner of or in the employment of an officer of the company.
3. A body corporate.

In other words, the legal disqualifications are those of personal interest and/or impersonality.

Apparently the Act assumes that as the appointment is placed in the hands of shareholders, the latter might well be left to protect themselves by choosing a duly qualified person, or, possibly, it may have been considered difficult to define with general acceptance a qualified auditor. In large concerns no difficulty is experienced in deciding who by training, experience, and diploma, should be entrusted with the skilled and responsible duties of auditor, but in smaller companies there are all too many cases where proper discrimination (wilfully or otherwise) is not exercised, and persons possessing no qualifications or inadequate qualifications for the proper examination and verification of accounts are appointed as auditors.

Even the State itself is not entirely above criticism in regard to persons employed as auditors of 'local authorities' accounts, and although this observation travels beyond the scope of this paper it serves to show that in high quarters that soar above the sphere of good business there exists a woeful lack of correct appreciation of what is involved in the efficient and skilful auditing of accounts. Surely nothing less than the best prevailing practice in a matter of such moment should be the standard insisted upon by law.

Is it too much to hope that in any amending legislation that may come, Parliament will make an attempt to rectify this obvious weakness by providing that none but fully qualified professional accountants shall be eligible for appointment as auditors to limited liability companies? Such a hope would be reasonable if only in the interests of a well-established and acknowledged profession, but viewed from the broader standpoint of safeguarding the public interest, the question becomes imperative.

#### Discussion on Mr. Woolley's Paper.

Mr. HENRY MORGAN (London) said the subject was a wide one, and it was always difficult in a paper of that kind to know what to deal with and what to leave out. Mr. Woolley had succeeded in bringing out material for

discussion upon a subject of vital interest to all Incorporated Accountants. The 1929 Act was based on the report of a Committee constituted in 1926, and before the Act came into effect it was obvious that many of the recommendations of the Committee were altogether out of date. That Society, with other professional bodies and Chambers of Commerce throughout the Kingdom and representatives in Parliament, had made representations for many years to have the Act amended, but the representations had been ignored. To-day, he did not hesitate to say, the failure to amend the Companies Act was fraught with very serious dangers. Some six or seven years ago their Society recognised the weakness of the Act as regards the accounts of public companies. A committee was set up and a report was issued dealing with the profit and loss account and subsidiary companies. From the point of view of the investing public, the profit and loss account had become the most important account. A balance sheet, unless accompanied by a true, properly prepared profit and loss account, would generally be practically useless. All they had in the 1929 Act was a provision that a profit and loss account should be issued. There was nothing said about the form or the function it was to serve. There was no agreement in the accountancy profession as to what a profit and loss account really was. The investing public believed generally that the profit and loss account showed the profit or loss made in the period covered by the account. The businesses carried on were so diverse in character that it was impossible to lay down any regulations as to what should appear in the profit and loss account, but there could be no disagreement as to the general principles which should be observed in drawing up accounts. Speaking of subsidiary companies, Mr. Morgan said legal provisions at the present time were hopelessly inadequate to deal with the rapid increase in the adoption of the subsidiary company principle. He agreed with Mr. Woolley regarding the privileges of private companies which were small subsidiary companies of holding companies. The utilisation of the private company by the holding company had had the effect of avoiding to a large extent the provisions which Parliament had laid down for the protection of investors in public companies. It should be obligatory on the holding companies to present to the shareholders a consolidated balance sheet. He suggested that it was entirely fallacious to say, as Mr. Woolley had done, that the auditors were appointed by the shareholders. They were appointed by the directors and kept in office by the directors. Usually the chairman asked one of the shareholders to propose the re-election of the auditor. The shareholders had no influence in the appointment of auditors. In his practice in London for forty years he had known only one case to the contrary. Referring to the monopoly of the Road Transport Board which had been mentioned several times, he said there had been a tendency since the War to form enormous industrial concerns in which hundreds of companies in small lines of business were formed into one group. Some well known firm was appointed to be auditors for the holding company, and steps were taken to secure the resignation of the auditors of the constituent companies in the group. The result was that hundreds of the rank and file of the accountancy profession had been displaced and great hardship was caused among many practising members of the profession.

Mr. JAMES BAIRD (Belfast) said Mr. Woolley's paper was a valuable contribution to the subject of limited companies. From its earliest stages, the structure of a company should be on firm foundations. There should, at the beginning, be a valuation of assets. In Northern Ireland, he said, they had the Companies Act of 1932, which was practically identical with the English Act of 1929, and they benefited from the experience of those in England. There were not many public companies in Ulster; most of them were private. In that respect he thought the local people had not taken full advantage of the Act, which would help them to create and build up new industries and expand trade. He hoped that before long some financiers would do something along those lines.



Mr. PERCY WALKER (Cardiff) said they could not exaggerate the danger from the unscrupulous manipulation of debentures. He urged, on another matter, that receivers should present yearly or half-yearly statements of accounts to the shareholders.

Mr. EDWARD BALDREY (London) said that in England there had been as much "jerry-building" in company construction as in houses.

Mr. C. N. WALTER (London) spoke of the evasion of the provision regarding the issue of shares for considerations other than cash, and added that, through the absence of details in the files of companies, people were often misled as to the capital of the companies.

Mr. G. ASTLE (Leeds) and Mr. W. EAVES (Manchester) also spoke.

Mr. WOOLLEY, replying to the discussion, said Mr. Morgan had been quite correct in suggesting that auditors were not appointed by the shareholders, but the shareholders had the power, and if they roused themselves they could do much more in their own interests than was usually the case. With regard to the profit and loss account, he agreed that it should show the true profit or loss of the concern. True net profit in the opinion of one person might be different from the true net profit in the opinion of another, although both persons might be qualified accountants. There was a need for some authoritative definition on the basis of which profit and loss accounts could be published to shareholders. Speaking of Mr. Baird's suggestion about the valuation of assets at the institution of a company, Mr. Woolley said that was not a matter for an auditor, for he was not a valuer.

Miss PHYLLIS RIDGWAY (Hull) moved a vote of thanks to Mr. Woolley for his interesting paper. The vote was heartily accorded.

#### VOTES OF THANKS.

The following resolutions were unanimously passed on the motion of the President of the Society, seconded by the Vice-President :—

That in connection with the Incorporated Accountants' Conference held in Belfast on June 23rd, 24th, 25th and 26th, 1937, the President, Vice-President and Members of the Society of Incorporated Accountants desire to tender their sincere and cordial thanks—

To the Right Hon. the Prime Minister, the Viscount Craigavon, D.L., M.P., and the Government of Northern Ireland for the generous hospitality extended to the Conference and for the reception given to the members and visitors on the occasion of the Garden Party at Parliament Buildings, Stormont, on Friday, June 25th, 1937.

To the Right Hon. the Lord Mayor of Belfast and the Lady Mayoress (Sir Crawford McCullagh, Bart., D.L., J.P., and Lady McCullagh, C.B.E.) for the civic welcome accorded to the Conference and for the generous hospitality extended to the members on the occasion of the ball given by the Lord Mayor and the Lady Mayoress at the City Hall on Wednesday, June 23rd, 1937.

To the Vice-Chancellor of the Queen's University, Mr. F. W. Ogilvie, M.A., for presiding at the opening of the Conference and to the Senate for the valuable facilities granted to the members at the Queen's University.

To the Chairman and Members of the Belfast Harbour Commission for the invitation to the cruise round Belfast Harbour on June 24th, 1937, and for the generous hospitality extended to the members.

To the President, Mr. J. S. White, F.S.A.A., and Mrs. White, the Vice-President, Mr. J. H. Allen, F.S.A.A., the Committee and Honorary Secretary, Mr. H. McMillan, F.S.A.A., of the Incorporated Accountants' Belfast and District Society, for the arrangements made for the Conference, and for the kind and generous hospitality extended to the visiting members. That this resolution be suitably inscribed and presented to the President, Vice-President and Hon. Secretary of the District Society.

To the President, Mr. A. H. Walkey, F.S.A.A., and Mrs. Walkey, the Vice-President, Mr. J. D. Thompson, F.S.A.A., the Council, and Hon. Secretary, Mr. A. J. Walkey, F.S.A.A., of the Society of Incorporated Accountants in Ireland, for the generous hospitality extended to the Conference at luncheon on Thursday, June 24th, 1937.

To Mr. D. Tilford Boyd, B.Com.Sc., F.S.A.A., for his paper on "Accountancy in Relation to Irish Industry and Commerce," and to Mr. Fred Woolley, J.P., F.S.A.A., for his paper on "The Structure of Limited Liability Companies."

The following resolution was unanimously passed on the motion of Mr. C. Hewetson Nelson, J.P., Senior Past-President, seconded by Mr. A. H. Walkey, President of the Irish Branch :—

That the sincere and cordial thanks of the Conference be accorded to the President of the Society of Incorporated Accountants, Mr. Walter Holman, F.S.A.A., for his able conduct in the chair and for his Presidential Address. The Conference desires to associate with this resolution Mrs. Holman for her graceful part in the proceedings.

#### THE CONFERENCE DINNER.

The Conference Dinner took place in the spacious ballroom of the Plaza on Thursday evening, June 24th. The PRESIDENT of the Society, Mr. Walter Holman, occupied the chair, and was supported by Viscount Craigavon, Prime Minister of Northern Ireland, the Right Hon. the Lord Mayor, Sir Crawford McCullagh, Bart., D.L., J.P., and the following guests and members :—

Viscountess Craigavon, Sir Thomas Dixon, Bt. (*H.M. Lieutenant for the County of the City of Belfast*), Lady Dixon, Viscountess Bangor (*Speaker of the Senate*), Viscountess Bangor, Mrs. Walter Holman (London), Mr. Percy Toothill (*Vice-President of the Society*), Mrs. Percy Toothill, Rt. Rev. John Waddell (*Moderator of the General Assembly*), Mrs. John Waddell, Mr. C. Hewetson Nelson, J.P. (*Past-President*), Judge Herbert M. Thompson, K.C. (*Recorder of Belfast*), Mrs. Herbert M. Thompson, Mr. Henry Morgan (*Past-President*), Mrs. Henry Morgan, Mr. F. W. Ogilvie, M.A. (*Vice-Chancellor, Queen's University*), Mrs. F. W. Ogilvie, Sir Anthony Babington, K.C. (*Attorney-General*), Lady Babington, Very Rev. W. S. Kerr, B.D. (*Dean of Belfast*), Miss Kerr, Mr. A. H. Walkey (*President, Irish Branch*), Mrs. A. H. Walkey, His Honour Judge Hanna, Mrs. Hanna, Mr. J. S. White (*President, Belfast District Society*), Mrs. J. S. White, Alderman T. E. McConnell, C.B.E. (*High Sheriff*), Mrs. T. E. McConnell, Mr. J. H. Robb, K.C. (*Parliamentary Secretary to the Ministry of Education*), Mrs. J. H. Robb, Mr. J. F. Gordon (*Parliamentary Secretary to the Ministry of Labour*), Mrs. J. F. Gordon, Mr. Gabriel Brock (*President, Institute*).

of Chartered Accountants in Ireland), Mr. John W. Pinkerton (President, Incorporated Law Society of Northern Ireland), Mrs. J. W. Pinkerton, Mr. E. Cassleton Elliott (Past-President), Mrs. E. Cassleton Elliott, Mr. R. Wilson Bartlett, J.P. (Past-President), Mrs. R. Wilson Bartlett, Sir Thomas W. McMullan, Sir Charles Blackmore, C.B.E. (Private Secretary to Prime Minister), Mr. W. D. Scott, C.B.E. (Permanent Secretary to Ministry of Commerce), Mrs. W. D. Scott, Major E. R. H. May, D.S.O. (Private Secretary to the Lord Mayor), Mr. W. E. Crawford (City Treasurer), Mrs. W. E. Crawford, Mr. R. Gransden (Assistant Secretary to the Cabinet), Mrs. R. Gransden, Mr. M. J. Watkins (General Manager and Secretary, Belfast Harbour Commissioners), Mrs. M. J. Watkins, Mr. W. Robson (Commissioner of Valuation), Mrs. W. Robson, Mr. R. P. C. Gotto, O.B.E., Mrs. Gotto, Mr. Donald McCaughey (President, Auctioneers' and Estate Agents' Institute), Mrs. Donald McCaughey, Mr. Walter Malcolm (Mayor of Bangor), Mrs. Walter Malcolm, Mr. W. Abbott (Registrar of Joint Stock Companies), Mrs. W. Abbott, Mr. A. W. Williams (Inspector of Taxes), Mrs. A. W. Williams, Mr. John B. McCutcheon, Mrs. John B. McCutcheon, Mr. Herbert Quin (Chairman, Belfast Society of Chartered Accountants), Mr. Charles E. White (President, Chamber of Trade), Mrs. Charles E. White, Professor F. T. Lloyd-Dodd, M.A. (Municipal College of Technology), Mrs. F. T. Lloyd-Dodd, Mr. J. Stewart (Private Secretary to Ministry of Commerce), Mrs. J. Stewart, Mr. J. McCombe (President, Belfast Co-operative Society), Mrs. J. McCombe, Mr. J. M. Surfleet (Senior Inspector of Taxes, Northern Ireland Branch), Mrs. Surfleet, Mr. A. Hannah (Liverpool).

Mr. S. B. I. Abbott (Belfast), Mr. F. J. Alban, C.B.E. (Cardiff), Mr. R. J. Alban (Penarth), Mr. V. F. Alban (Penarth), Mr. Alexander Allen (Belfast), Mrs. Alexander Allen, Mr. F. Allen (Belfast), Mrs. F. Allen, Mr. W. A. Allen (Belfast), Mrs. W. A. Allen, Mr. E. A. Anderson (Belfast), Mr. H. M. Anderson (Belfast), Mr. H. W. D. Anderson (Belfast), Mrs. H. W. D. Anderson, Mr. W. B. Anderson (Belfast), Mrs. W. B. Anderson, Miss Anderson (Belfast), Mr. H. Andison (Belfast), Mrs. H. Andison, Mr. G. Astle (President, Yorkshire District Society), Mr. James Baird (Belfast), Mr. J. W. Baird (Belfast), Mrs. J. W. Baird, Mr. Samuel C. Baird (Belfast), Mrs. Samuel Baird, Mr. Edward Baldry (Chairman, London District Society), Mrs. Edward Baldry, Miss A. M. Banks (London), Miss I. C. Bass (Belfast), Mr. Donald H. Bates (Hon. Secretary, North Staffordshire District Society), Mrs. Donald H. Bates, Miss Adelaide Beattie (Belfast), Mr. George Beggs (Belfast), Mr. Harold F. Bell (Coleraine), Mrs. Harold F. Bell, Mr. Mervyn Bell (Dublin), Mrs. Mervyn Bell, Mr. Robert Bell (Belfast), Mrs. Robert Bell, Mr. T. McM. Bell (Chairman, Belfast Branch Chartered Institute of Secretaries), Mrs. Bell, Mr. C. V. Best (London), Mr. Thomas Bill (Belfast), Mrs. Thomas Bill, Mr. Norman Booth (Belfast), Mrs. Norman Booth, Mr. E. Boyd (Belfast), Mr. James Boyd (Belfast), Mr. D. T. Boyd (Belfast), Mrs. D. T. Boyd, Mr. Hugh Boyd (Belfast), Mrs. H. Boyd, Mr. Samuel Boyle (Belfast), Mr. R. M. Branson (Leicester), Mrs. R. M. Branson, Mr. A. S. Brook (Belfast), Mr. A. C. Broughton (Leeds), Mrs. A. C. Broughton, Mr. R. S. Brown (Belfast), Mr. W. M. Budd (Dublin).

Mr. Frank Capper (Belfast), Mr. Desmond Chambers (Belfast), Mr. Ernest Chetter (Liverpool), Mr. R. M. G. Clark (Belfast), Mr. W. Clark (Leigh), Mrs. W. Clark, Mr. Edward C. Comerton (Belfast), Mr. Dawson Cotton (Belfast), Mrs. Dawson Cotton, Mr. A. S. Courtney (Belfast), Mrs. A. S. Courtney, Miss G. Cowtan (London), Mr. R. R. Crawford (Belfast), Mr. S. D. Crossey (Belfast), Mrs. S. D. Crossey, Mr. Harry Cunningham (President, Sheffield District Society), Mrs. Harry Cunningham, Mr. R. G. Davidson (London), Mrs. R. G. Davidson, Mr. C. H. Dennison (Carlisle), Mr. Alexander Devon (Belfast), Mr. H. E. G. Dickson (Belfast), Mr. R. H. Dickson (Belfast), Mrs. R. H. Dickson, Mr. F. J. Dolan (Belfast), Mr. Charles M. Dolby (Liverpool), Mr. R. J. Dornan (Belfast), Mr. T. W. Dresser (Hon. Secretary, Yorkshire District Society), Mr. D. W. Dunlop (Belfast), Mr. H. S. Dunn (Belfast), Mr. W. Dunn (Belfast), Mr. W. Eaves (Manchester), Mrs. W. Eaves, Mr. Philip C. Egan (Belfast).

Miss Anne J. Farr (London), Mr. M. J. Faulks, M.A. (London), Mrs. M. J. Faulks (London), Mr. R. Ferguson (Belfast), Mr. M. P. Ferneyhough (President, North Staffordshire District Society), Mrs. M. P. Ferneyhough, Mr. John H. Finlay (Belfast), Mr. H. C. Fletcher (Mullingar), Mrs. H. C. Fletcher, Mr. R. D. France (Leeds), Mrs. R. D. France, Mr. G. Gallimore (Leicester), Mrs. G. Gallimore, Mr. C. S. Garraway (Sheffield), Mrs. C. S. Garraway, Mr. A. A. Garrett, M.B.E., M.A., London, (Secretary of the Society), Mrs. A. A. Garrett, Mr. David Gibson (Belfast), Mr. G. Graham (Bangor), Mr. F. D. Gray (Coleraine), Mrs. F. D. Gray, Mr. E. T. Green (Lisburn), Mrs. E. T. Green, Mr. F. A. Green (Haslingden), Mrs. F. A. Green, Mr. W. Gretton (Nottingham), Mrs. W. Gretton.

Mr. H. Haire, Junr. (Belfast), Mr. M. V. Hamilton (Dublin), Mrs. M. V. Hamilton, Mr. A. Harbinson (Belfast), Mr. D. A. E. Harkness (Belfast), Mrs. D. A. E. Harkness, Mr. Frank Harrison (Leeds), Mrs. Frank Harrison, Mr. Horace P. Haslett (Belfast), Mrs. Horace P. Haslett, Mr. S. R. F. Hickman (London), Mrs. S. R. F. Hickman, Mr. G. W. Higgs (Dunstable), Mrs. A. Howard (Belfast), Mr. G. Hulatt (Belfast), Mrs. G. Hulatt.

Miss D. C. Kee (Douglas), Mr. W. Keith (Belfast), Mrs. W. Keith, Mr. J. M. Keyworth (London), Mr. E. N. C. Kidd (Belfast), Mr. Robert A. Kidney (Dublin), Mr. Francis W. E. King (London), Mr. T. Q. King (Belfast), Mr. J. S. Kinghan (Belfast), Mr. H. V. Kirk (Belfast), Mr. T. Leake (Wigan), Mrs. T. Leake, Mr. J. Stanley Lewis (Belfast), Mrs. J. Stanley Lewis, Mr. W. G. Lithgow (Southport), Mr. L. T. Little, B.Sc., London, (Deputy Secretary of the Society), Mrs. L. T. Little, Mr. J. Canning Loughridge (Dublin), Mr. Hugh C. Love, M.B.E. (Belfast), Mr. Edmund Lund, M.B.E. (President, Cumberland and Westmorland District Society), Mr. W. C. Lutton (Belfast), Mr. A. McAdam (Belfast), Mr. R. W. McBride (Belfast), Mr. W. L. McClelland (Dublin), Mr. Melville McClure (Belfast), Mr. Leslie McCullough (Belfast), Mr. A. Macdonald (Hon. Secretary, Hull District Society), Mr. J. M. K. McGugan (Jordanstown), Mrs. J. M. K. McGugan, Mr. J. D. McIl Dowie (Belfast), Mr. A. H. McIlwraith (Belfast), Mr. H. W. L. McKee (Belfast), Mrs. H. W. L. McKee, Mr. A. McKeown (Belfast), Mr. R. Bryan MacKeown (Belfast), Mr. J. E. McKelvey (Belfast), Mr. T. C. G. Mackintosh (Newtownards), Mr. Herbert McMillan (Hon. Secretary, Belfast District Society), Mrs. Herbert McMillan, Mr. D. T. MacMurray (Bangor), Mrs. D. T. MacMurray, Miss A. Macnamara (Dublin), Mr. George McNeice (Belfast), Mrs. George McNeice, Mr. J. Marcroft (Sheffield), Mrs. J. Marcroft, Miss Mary Marcroft, Mr. R. Marshall, M.D., Miss E. Michael (Belfast), Mr. D. F. Middlemiss (London), Mrs. D. F. Middlemiss, Mr. H. J. Miles (Belfast), Mr. John Miller (Belfast), Mrs. John Miller, Mr. J. M. Morrin (Belfast), Mrs. J. M. Morrin, Mr. J. S. Morton (Dublin), Mr. R. J. Neely (Belfast), Mrs. R. J. Neely, Mr. John F. Neill (Belfast), Mr. Bertram Nelson (Hon. Secretary, Liverpool District Society), Mr. William Noble (Belfast), Mr. J. G. O'Callaghan (Dublin), Mrs. J. G. O'Callaghan, Mr. H. V. Olver (Belfast).

Mr. L. J. Packham (London), Mr. S. D. Payne (London), Mrs. S. D. Payne, Mr. G. O. W. Pickard (Leeds), Mrs. G. O. W. Pickard, Mr. R. S. Pierce (Belfast), Mr. Arthur E. Piggott (Manchester), Mrs. A. E. Piggott, Mr. Halvor Piggott (Hon. Secretary, Manchester District Society), Mrs. Halvor Piggott, Mr. T. T. Plender (President, Liverpool District Society), Mrs. T. T. Plender, Miss Plender, Mr. J. J. Potter (Hon. Secretary, Birmingham District Society), Mr. G. Roby Pridie (President, London Students' Society), Mrs. J. Purdy (Belfast).

Mr. J. D. Radcliffe (Belfast), Miss Ina Rainey (Belfast), Mr. K. Raphael (Belfast), Mr. W. R. Rawlinson (Belfast), Mr. N. Rea (Belfast), Mr. R. L. Reid (Dublin), Mr. J. W. Richardson (Hon. Secretary, Sheffield District Society), Miss P. E. M. Ridgway, B.A. (Hull), Mr. A. T. Robinson (Belfast), Mrs. A. T. Robinson, Mr. H. D. Robinson, Mr. J. Ross (Belfast), Mr. William Ruddick (Belfast), Mr. Stanley Scotter (President, Hull District Society), Mrs. Stanley Scotter, Mr. J. Scott-Moore (London), Mr. J. Crawford Shaw (Bangor), Mrs. J. Crawford Shaw,



Mr. T. Shaw (Belfast), Mrs. T. Shaw, the Venerable Archdeacon Shirley (Belfast), Mrs. P. W. N. Shirley, Mr. J. T. Singleton (*President of Nottingham, Derby and Lincoln District Society*), Mrs. J. T. Singleton, Mr. A. W. L. Sleeman (*President, Swansea and South-West Wales District Society*), Mr. Henry Smith (*President, Manchester District Society*), Mrs. Henry Smith, Miss I. O. Smith (Belfast), Mr. P. L. Smout (London), Mr. Walter Smyth (Belfast), Miss Vera Snelling (London), Mr. A. Southern (Manchester), Mrs. A. Southern, Mr. T. R. Spence (Belfast), Mr. J. E. Spoors (*Hon. Secretary, Newcastle-upon-Tyne District Society*), Mr. P. G. Stembridge (Birmingham), Mrs. P. G. Stembridge, Mr. C. T. Stephens (*President, South Wales and Monmouthshire District Society*), Mrs. C. T. Stephens, Mr. E. R. Stephens (Belfast), Mr. W. S. Stevenson (Belfast), Miss M. Stewart (Belfast), Mr. W. J. M. Stewart (Belfast), Mr. J. Stewart-Moore (Derby), Mrs. J. Stewart-Moore, Mr. W. Stott (Bolton), Mrs. W. Stott, Mr. W. G. Strachan (London).

Mr. R. G. Taylor (Belfast), Mrs. R. G. Taylor, Mr. J. D. Templeton (Belfast), Mr. R. Henry Thomas (Liverpool), Mr. H. V. V. Thompson (Belfast), Mrs. H. V. V. Thompson, Mr. Joseph Turner (Manchester), Mrs. Joseph Turner, Mr. Percy H. Walker (*Hon. Secretary, South Wales and Monmouthshire District Society*), Mrs. Percy H. Walker, Mr. A. J. Walkey (*Hon. Secretary, Irish Branch*), Mrs. A. J. Walkey, Captain S. I. Wallis (*Hon. Secretary, Nottingham, Derby and Lincoln District Society*), Mrs. S. I. Wallis, Mr. J. Walsh (Portadown), Mr. C. N. Walter (London), Mrs. C. N. Walter, Mr. A. P. Ward (Belfast), Mr. T. W. Watts (Middlesbrough), Mrs. T. W. Watts, Mr. F. A. Webber (*President, West of England District Society*), Mr. W. Weir (Belfast), Miss Wightman (Belfast), Mr. T. E. Williams (Carlisle), Mr. Robert M. Williams (Liverpool), Mrs. Robert M. Williams, Mr. H. Howard Wilson (Belfast), Mr. R. Clement Wilson (Belfast), Mrs. R. Clement Wilson, Mr. J. A. Winnington (Belfast), Mrs. J. A. Winnington, Mr. Richard A. Witty (London), Mrs. Richard A. Witty, Mr. F. Woolley, J.P. (*Hon. Secretary, South of England District Society*), Mrs. F. Woolley, and Mr. Samuel Young (Belfast).

The toast of "The King" was enthusiastically honoured.

Likewise the toast of "His Grace the Governor of Northern Ireland."

#### The Society of Incorporated Accountants.

VISCOUNT CRAIGAVON (the Prime Minister) then proposed the toast of "The Society of Incorporated Accountants." He said he was pleased to come there to their festive board and to find England, Scotland, Wales and Ireland all mixed so well together. They all appreciated very much the kindness and hospitality meted out to them by that magnificent Society the health of which he had risen to propose. In his experience, spread over many years, he believed that, although benefits were derived from conferences, the real benefit was to be found in taking some visitors into a corner and talking to them. Lectures by accountants and professors, he continued, were all very well for generalities, but he believed if some visitors sat down beside some of the smart local members they would get far more advice than they ever received before, and would perhaps then remark, "At last we are able to say two and two make five." (Laughter.) Although it was perfectly true that it was of inestimable value to pass on to one another such knowledge as each possessed, at the same time it must be borne in mind that something should be known by the public of the accountant's work. The profession had the trust of the public and the fullest trust of

the Government of Northern Ireland, which had to thank the Society on many occasions in various departments for setting them on their feet. Perhaps more than ever before businesses were depending a great deal on Incorporated Accountants. No business could be established without the assistance of the profession. Throughout the days of adolescence the business was looked after in every possible way by the Society, even right to the day, as it might happen, of its death. Even then the accountants could step in and make the passage as easy as possible. All the valuable work done in that country redounded to the profession's greatest possible credit. Lord Craigavon said he had an idea that when they returned to their various parts of the country they would find their balance-sheet, figuratively speaking, would be one which they would appreciate. They had made a sacrifice of their time, but they had had a smooth crossing of the Channel, a hearty welcome, and the Ulster men and women with whom they had come into contact were delighted that they had come to Belfast. On behalf of the people of Ulster he thanked the visitors for coming. Speaking more generally, Lord Craigavon said the members were "up to the chin" in accountancy if they were being an honour to the Society. He believed there was being spread over the country a better sense of monetary values. People were becoming more open and frank about their financial affairs. Following the great financial collapse, not only in Britain but in America, people were beginning to come more together and to have a better understanding. They were gradually coming to realise that the Means Test, against which the working classes—the great mainstay of the country—protested, reached up to the multi-millionaires in the form of enquiries by Inland Revenue and taxation officers. He believed that was all to the good. Democracy really meant a mixture of people, high and low, working together to one end—the greatest benefit to those in their midst. A feeling of that kind was gradually spreading abroad. He knew that the members of their Society were helping people to understand those things and pulling their weight as Incorporated Accountants. With regard to the programme that still lay ahead of them, the Prime Minister said that the Lord Mayor had already shown them Belfast's hospitality and other friends had done their share. It would be a high honour to himself and his colleagues of the Government to have them visit Stormont the following day. When they all went home, he hoped they would spread the gospel that Ulster was not altogether as bad a spot as some people would have them believe. It was difficult for a country to "puff" itself because it went against the grain of the people who, although proud of their land, were not anxious "to hawk it about in the market place." Therefore it was a great honour to have so many responsible people come over to that part of the United Kingdom and the British Empire. It was not asking too much to recommend the visitors to tell their friends that Ulster was a place good for work and play. (Applause.)

Mr. WALTER HOLMAN (the President), replying, said they were grateful to the Prime Minister for the



signal honour he had conferred on the Society in proposing the toast of its health and for the kindly words he had used in commending it to that large audience. It was appropriate that he (Mr. Holman) should be occupying the chair that evening, because the first conference in Belfast was the outcome of a visit which he and his Vice-President paid nearly two years ago to the annual dinner in that city. On that occasion Lord Craigavon made a suggestion, which they accepted, to hold the conference there. On behalf of the members he wished to thank him and the Government for their invitation to visit Stormont. He wished to express the thanks of the Society for the warm welcome and generous hospitality extended to them by the civic, official, public and industrial bodies and the Press of that great city. "Ireland is not unaccustomed to invasions," he added, "and, speaking with knowledge and experience, I am not surprised. It is true that not all the invaders have been inspired with such benevolent intentions as those which have brought us hither. I cannot imagine any visitors to your shores who would fail, after a few days, to succumb to the magic of your country and the charm of its people." In responding to the toast, he was speaking not only for the members gathered in that hall, but for the remainder of the seven thousand members scattered not only in Great Britain and Ireland, but throughout the world. Accountancy was sometimes regarded as a prosaic occupation, but there was something of romance in the mere names of places where members practised—Austria and Australia, India and Italy, the United Provinces and the United States, Lagos and Los Angeles. They had a variety of environment and differences of conditions, customs and currencies to present fresh problems in the application of the principles of accountancy. Indeed, wherever its members practised, the profession of accountancy imposed great, onerous and exacting duties and responsibilities, yet he could claim that all the members possessed the qualities of heart and mind adequately enabling them to fulfil their high tasks. He could not certify such a claim as it was based on estimates impossible to prove, and no Incorporated Accountant would allow that. (Laughter.) Mr. Holman then touched on a subject on which, he said, opinion and sentiment appeared to be unanimous—taxation. The Budget proposals of the present year afforded interesting evidence of truths sometimes forgotten. A desire to attach special and exceptional taxation to special and exceptional prosperity was embodied in the proposals made for the National Defence Contribution. The proposal was abandoned because the community felt it went dead against the four maxims of Adam Smith, laid down many years ago, that taxation should be based on ability to pay, certainty, convenience and economy in collection. No attempt appeared to have been made to relate the amount of the duty with the ability to pay. That instructive example of the conflict between theory and practice had resulted in proposals for a simple flat rate of duty applied to virtually the whole of the profits of industry. Little attempt had been made to relate

the amount of duty to capacity to pay, but the new tax should operate with certainty in each individual case, the rate was not such as to cause serious inconvenience, and the cost of collection should be much smaller than under the original scheme. Accountants believed their service was such that they could render to industry something for its benefit, and that to such an extent industry was dependent upon them. In their turn, accountants knew they were dependent upon industry. In conclusion, he desired to thank them all for the cordiality with which the toast had been received. (Applause.)

Mr. C. HEWETSON NELSON (Past-President), proposing the toast of "The City of Belfast," spoke of the noble people carrying on the noble work which was essential to any city worthy of the name. The people of Northern Ireland had every reason to be proud of the type of men they produced in the worlds of business, literature, music, art, science and law. One of the greatest lights in the legal world was Lord Russell of Killowen, who started his legal career in Belfast. They had great men with them to-day, and he included the Lord Mayor, whose kindness to the Society they deeply appreciated. Concluding, Mr. Nelson asked them all to honour the toast, "Belfast, and may it continue to prosper," and coupled the name of the Lord Mayor with the toast.

The LORD MAYOR, in responding, said the duty of replying to that toast was no new one to him, but none the less he thanked them sincerely for its proposal and for coupling his name with it. "I could put before you a mass of figures," he said, "showing the progress of Belfast in general and the Corporation in particular, perhaps appropriate to a gathering of accountants. But I cannot help thinking that you, who spend your business hours dealing with figures, may well wish to be spared this evening. It is quite sufficient, therefore, if I say that Belfast continues to progress and develop. We have situated here some of the greatest industries in the whole world—linen manufacture, shipbuilding and ropemaking, to mention just a few." Belfast, added Sir Crawford McCullagh, was about the fourth or fifth largest port in the United Kingdom, and the Harbour Commissioners were in the act of developing an airport, recently described to him by a distinguished visitor as promising to be the finest in the British Isles. He was intensely proud not only of the commercial position of the city, but of its people. In its earlier days its industries were developed under great handicaps. Having no mineral resources of its own, Belfast had to import its coal supplies, iron, steel and raw materials. When it was considered what had been done in the face of competition from more favoured places in that respect, they had a right to be proud. He thought they might also point out with some pride the natural beauties which surrounded the city—the hills, Belfast Lough, the Corporation property at Hazelwood and Bellevue, the scenery of the Antrim Coast Road and of County Down, all within easy reach of the city. "I hope you will go away feeling that your visit has been worth while," he concluded, "that you will tell your friends

at home something about us, and that many of you will think it worth while to return." (Applause.)

Mr. PERCY TOOTHILL (Vice-President of the Society), who proposed the toast of "The Guests," made special reference to the presence of the Prime Minister, Lady Craigavon, and the Lord Mayor, by whom they were honoured.

The RECORDER OF BELFAST (Judge Thompson, K.C.), responded in a humorous and racy speech.

Throughout the proceedings selections were given by the band of 1st Battalion, the Welch Regiment, conducted by Mr. F. J. Davidson, by kind permission of Lieut.-Colonel G. S. Brewis, D.S.O., and the officers of the battalion. Vocal solos were contributed by two well-known Ulster broadcasting artistes, Miss Adelaide Beattie (soprano) and Mr. George Beggs (baritone), with Mr. Frank Capper, a student of the Society, as accompanist.

### SOCIAL FUNCTIONS.

#### Prime Minister's Garden Party.

A garden party was held at Parliament Buildings in the afternoon of Friday, June 25th, in honour of the Conference members and guests, by kind invitation of the Prime Minister and Government of Northern Ireland. The guests were received by the Right Hon. J. Milne Barbour (Minister of Commerce) and Miss R. Barbour and Miss M'Meiking. After being shown round the Parliament buildings, the visitors enjoyed the extensive grounds. The President of the Society and Mrs. Holman took afternoon tea in the gardens with the Prime Minister and Lady Craigavon. Among other distinguished guests present were Sir Gerald Wollaston, Garter King-at-Arms, and Lady Wollaston, and the Right Hon. Sir Thomas Dixon, Bart. (Lieutenant for the County of the City of Belfast) and Lady Dixon. Lady Craigavon was presented with a bouquet by Mrs. Holman, and Miss Ridgway presented a bouquet to Miss R. Barbour.

#### Reception by the Lord Mayor and Lady Mayoress.

The Right Hon. the Lord Mayor of Belfast and the Lady Mayoress (Sir Crawford McCullagh, Bart., and Lady McCullagh, C.B.E.) kindly gave a Civic Reception in the City Hall on the evening of September 23rd. The company was received by the Lord Mayor and Lady Mayoress, and dancing continued until after midnight in the magnificent ballroom. The music was by the band of the Royal Ulster Constabulary, conducted by District-Inspector George C. Ferguson. In addition to the members of the Society and their friends, the guests included Mr. F. W. Ogilvie (Vice-Chancellor of Queen's University) and Mrs. Ogilvie, Alderman T. E. McConnell (High Sheriff of the City), Commander Oscar Henderson (Private Secretary to the Governor of Northern Ireland), Mr. John Archer (Town Clerk), and Major E. R. H. May, D.S.O. (Private Secretary to the Lord Mayor).

#### Luncheon by the Belfast District Society.

On the opening day the delegates were entertained to luncheon in the Grand Central Hotel by the Belfast and District Society, whose President, Mr. J. S. White, was in the chair.

Mr. WHITE, proposing the toast of "Our Visitors," said he was glad to see such a large and representative attendance, which included the President, the Vice-President, Past Presidents, and members of the Council, together with several members from overseas. That was the first occasion on which the Conference had been held

in Belfast. At the annual dinner eighteen months ago, the Prime Minister of Northern Ireland made a suggestion that the Society should hold a Conference in Belfast in the near future, promising hospitality on behalf of the Government. The matter had already been under consideration by the local Committee and, encouraged by the Prime Minister's offer, they decided to issue an invitation to the Council, although, owing to the distance of Belfast from London and other centres, they were somewhat doubtful as to whether the support of a sufficient number of members could be obtained to ensure its success. The response was beyond their expectation. The happy result had been due to the co-operation of the Council with the local Committee, and the invaluable assistance rendered by Mr. Garrett and the staff at Incorporated Accountants' Hall. Mr. White acknowledged indebtedness to the Prime Minister, the Lord Mayor and the Lady Mayoress, and to the Belfast Harbour Commissioners for their part in entertaining the delegates. The motor drive round the Antrim Coast to the Giant's Causeway on Saturday would afford an opportunity of viewing some of the natural beauties of Northern Ireland, and he trusted that those who were making their first visit to Ireland would be so pleased that they would come back again. Coupling the toast with the name of Mr. Holman, the Chairman said the President had been in Belfast several times before, and his genial personality, friendliness, and genuine interest in local problems had left a deep impression.

Mr. HOLMAN, in replying, said they had been looking forward to the visit for many months. He thanked the local Society for their generous welcome and hospitality that morning and for the attractive programme which had been arranged. The welcome they had received at the quay in the early morning was typical of what all visitors got on reaching Irish shores. He asked the delegates to rise and drink the health of the Reception Committee, coupled with the name of Mr. H. McMillan.

Mr. McMILLAN, greeted with prolonged applause, returned thanks in a brief speech.

#### Luncheon by the Irish Branch.

On Thursday members and guests were again entertained at lunch in the Grand Central Hotel, on this occasion by the Irish Branch. Mr. A. H. Walkey, Dublin, President of the Branch, was in the chair, and the Right Hon. the Lord Mayor of Belfast (Sir Crawford McCullagh, Bart.) was the chief guest.

Mr. PERCY TOOTHILL (Sheffield), Vice-President of the Parent Society, proposed the toast of "The Irish Branch," and paid a graceful tribute to the chairman.

Mr. WALKEY, in responding, said he took it as a compliment to the Irish Branch that the Lord Mayor should be present. When a Belfast man spoke in Dublin or a Dublin man in Belfast, the Border was left unmentioned. In their profession there was practically no Border. The Irish Free State had its own points of beauty, and the people were always charming. He hoped that the visitors would be able to spare a few days in that country, where he did not think they would find anybody who did not understand the English language or the English coinage.

#### Reception and Dance by the Belfast District Society.

On the evening of June 25th the Belfast and District Society entertained the members and guests at a reception and dance held in the Grand Central Hotel. Mr. J. S. White, the President of the Belfast and District Society, and Mrs. White received the guests. Mrs. White was presented with a bouquet by Miss Kee, of Douglas, Isle of Man.

### Visits to Belfast Harbour and Hazelwood.

On the afternoon of Thursday, June 24th, members and guests were, on the invitation of the Harbour Commissioners, taken on a tour of inspection of Belfast Harbour in the tender *Duchess of Abercorn*. The guests were received on board by Sir Thomas McMullan and were entertained by him and other members and officials of the Belfast Harbour Commission. Other members and guests paid a visit to Hazelwood, Belfast's natural mountain park and pleasure gardens, from which there is a magnificent view over County Antrim, Belfast Lough, and County Down.

### Giant's Causeway and Portrush.

On Saturday, June 26th, about one hundred and fifty members and their guests made a tour of the Antrim Coast through Larne, Garron Tower (where coffee was served), Cushendale, Ballycastle, Giant's Causeway (where a halt was made for lunch), and Portrush. Afternoon tea was taken at Portrush and the party then made the two hours' journey back to Belfast. At Giant's Causeway an Irish blackthorn walking stick was presented to the President of the Society, and some Irish table linen was presented to Mrs. Holman, by Mrs. J. S. White on behalf of the Belfast and District Society.

## RUMANIAN CONGRESS ON ACCOUNTANCY.

The eighth National Congress on Accountancy was held at Galatz, Rumania, from June 19th to 22nd. The President of the Congress was Professor Dr. Grigore L. Trancu-Iasi, and an introductory address was delivered by Professor Dr. Victor Slavescu.

The subjects debated were:—

"Accountancy Instruction in Higher Commercial and Industrial Schools," by Professor Spiridon Iacobescu.

"The Importance of Accountancy Statements in Business Administration," by Dr. Draganescu-Brates.

"The Ports of Galatz and Braila as Exporting Centres," by M. G. Esanu, Professor Panaitescu and M. Cioranu.

"The Position of Accountants in relation to the Statute on Government Officials," by Professor A. Costache and M. G. Panait.

"The Position of Accountants in relation to the Statute on Private Employees," by M. Nicolae Butculescu, Doyen of the Society of Accountants of Rumania.

"The Pension Fund for Accountants," by M. Gh. Huber-Bucarest and M. Gh. Panait-Braila.

Address by M. L. Cioranu, Director of the Rumanian National Bank of Braila.

## SPECIAL COURSE ON MECHANISATION.

A special course of lectures on mechanisation at the Brixton Senior Commercial Institute (London County Council), 54-56, Brixton Hill, S.W., on Wednesdays commencing September 29th, 1937, and extending to Easter, 1938. Machines will be in use in the lecture room, and by special arrangement the lectures will be supplemented by visits to the demonstration rooms of various manufacturers of machines. Tuition will be given in the application of the punched card and the various types of accounting machines. The lecturer will be Mr. W. J. Back, A.S.A.A.

Full details may be obtained from Mr. J. Callie, B.A., Principal of the Institute, or Mr. F. A. Roberts, A.S.A.A., Head of the Accountancy Department.

## NATIONAL DEFENCE CONTRIBUTION.

### The White Paper.

The following is the full text of the White Paper giving the general terms of the new Scheme of National Defence Contribution:—

1. The terms of the proposed Ways and Means Resolution are as follows:—

"That there shall be charged on any profits arising at any time during the five years commencing on the first day of April, nineteen hundred and and thirty-seven, from any trade or business of any description (including, in the case of bodies corporate whose functions consist wholly or mainly in the holding of investments or other property, the holding of the investments or property), a tax not exceeding 5 per cent. of the amount of the profits."

### DURATION OF TAX.

2. The tax, which will be assessed and collected annually by reference to the accounting periods of trades and businesses, will be imposed for a period of five years, commencing on April 1st, 1937, and ending on March 31st, 1942. It will thus run for the same period as that in which borrowing is authorised under the Defence Loans Act, 1937.

### SCOPE OF THE CHARGE.

3. The tax will be charged on the profits of trades and businesses carried on in the United Kingdom, whether by companies, individuals or firms, or carried on outside the United Kingdom by companies, individuals and firms ordinarily resident in the United Kingdom.

The tax will not apply to professions, or to offices and employments.

### RATE OF TAX.

4. The rate of tax will be 5 per cent. in the case of a trade or business carried on by a company and 4 per cent. in the case of a trade or business carried on by an individual or firm.

### COMPUTATION OF PROFITS.

5. Subject to the necessary adaptations profits will be determined on the same lines as for the purposes of income tax, but interest on borrowed money and other annual payments will be deducted, and the annual value of premises owned and occupied for the purposes of the business will be included.

Investment income will not, generally speaking, be included but account will be taken of income received from investments in the case of a banking business, assurance business, or business consisting wholly or mainly in the dealing in or holding of investments.

### LOSSES AND WEAR AND TEAR.

6. In the assessment of the tax allowances for losses and wear and tear will be given on similar lines to those given for income tax.

In addition, provision will be made under which, in effect, the same measure of carry forward will be given in respect of unabsorbed losses and accumulated wear and tear as in the case of income tax.



**RELIEF FOR SMALL BUSINESSES.**

7. The tax will not be chargeable where the profits do not exceed £2,000, and where the profits exceed that figure but do not exceed £12,000 an abatement will be allowed of one-fifth of the amount by which the profits fall short of £12,000.

**BUSINESSES IN THE SPECIAL AREAS.**

8. Provision will be made for the remission of the tax in whole or in part in cases where the Commissioners for the Special Areas certify that it is expedient, for the purpose of establishing industrial undertakings in those areas, that relief from the tax should be given.

**DEDUCTION OF THE TAX FOR THE PURPOSES OF INCOME TAX.**

9. The tax will be deducted in computing the profits of the trade or business for the purposes of income tax.

**EXEMPTIONS.**

10. It is proposed to exempt from the tax public utility undertakings which are subject to statutory restrictions in regard to prices charged or the dividends payable.

**NO CALCULATION OF CAPITAL.**

11. No calculation of capital will be necessary for any purpose connected with the tax.

**PROSPECTIVE YIELD.**

12. It is estimated that in a full year the tax may be expected to produce £25,000,000.

**The New Clauses.**

The following are the new Clauses of the Finance Bill moved by the Chancellor of the Exchequer to be substituted for the scheme of assessment as originally submitted. The White Paper, reproduced above, gives a summary of the general effect of these new clauses.

**CHARGE OF NATIONAL DEFENCE CONTRIBUTION.**

(1) There shall be charged, on the profits arising in each chargeable accounting period falling within the five years beginning on the first day of April, nineteen hundred and thirty-seven, from any trade or business to which this section applies, a tax (to be called the "national defence contribution") of an amount equal to five per cent. of those profits in a case where the trade or business is carried on by a body corporate and four per cent. of those profits in any other case.

(2) Subject as hereafter provided, the trades and businesses to which this section applies are all trades or businesses of any description carried on in the United Kingdom, or carried on, whether personally or through an agent, by persons ordinarily resident in the United Kingdom.

(3) The carrying on of a profession by an individual or by individuals in partnership shall not be deemed to be the carrying on of a trade or business to which this section applies if the profits of the profession are dependent wholly or mainly on his or their personal qualifications:

Provided that for the purpose of this subsection the expression "profession" does not include any business consisting wholly or mainly in the making of contracts on behalf of other persons or the giving to other persons of advice of a commercial nature in connection with the making of contracts.

(4) Where the functions of a company or society incorporated by or under any enactment consist wholly or mainly in the holding of investments or other property,

the holding of the investments or property shall be deemed for the purpose of this section to be a business carried on by the company or society.

(5) This section shall not apply to any trade or business carried on by statutory undertakers and consisting wholly or mainly in the rendering in the United Kingdom of any of the following services, namely—

- (a) the supply of water, gas, electricity or hydraulic power;
- (b) the provision or maintenance of a canal, harbour, dock, pier, road, bridge, ferry, or tunnel;
- (c) the conservancy of a river;
- (d) the carriage of goods or passengers by railway, or the carriage of passengers by road.

For the purposes of this subsection and any other provision of this Act relating to the national defence contribution—

- (i) the expression "statutory undertakers" means any local or public authority authorised by or by virtue of any enactment to render any of the services aforesaid in the United Kingdom, and any other person so authorised who is precluded by or by virtue of any enactment from charging any higher price for those services than that authorised by or by virtue of the enactment or, in the case of a body corporate, is either so precluded or precluded by or by virtue of any enactment from distributing any higher rate of dividend than that authorised by or by virtue of the enactment;

- (ii) the expression "pier" means a pier wholly or mainly used for loading or unloading goods or embarking or disembarking passengers.

(6) If the Commissioners appointed for the purpose of the Special Areas (Development and Improvement) Acts, 1934 and 1937, certify that, for the purpose of inducing any persons to establish an industrial undertaking in any of the special areas, it is expedient that those persons, in addition to being provided with financial assistance under section three of the Special Areas (Amendment) Act, 1937, should be given relief in respect of any national defence contribution which may become chargeable in respect of the profits of the undertaking, the Treasury may agree to remit the whole or any part of any national defence contribution so chargeable.

**COMPUTATION OF PROFITS AND ACCOUNTING PERIODS.**

(1) For the purpose of the national defence contribution the profits arising from a trade or business in each chargeable accounting period shall be separately computed, and shall be so computed on income tax principles as adapted in accordance with the provisions of the Schedule (Adaptation of income tax provisions as to computation of profits) to this Act.

For the purpose of this subsection the expression "income tax principles" in relation to a trade or business means the principles on which the profits arising from the trade or business are computed for the purpose of income tax under Case I of Schedule D, or would be so computed if income tax were chargeable under that Case in respect of the profits so arising.

(2) For the purpose of the national defence contribution, the accounting periods of a trade or business shall be determined as follows:—

- (a) in a case where the accounts of the trade or business are made up for successive periods of twelve months, each of those periods shall be an accounting period;
- (b) in a case where the accounts of the trade or business have been made up as aforesaid but have ceased to be so made up, the accounting periods from

the end of the last period of twelve months for which they were so made up shall be such periods not exceeding twelve months as the Commissioners of Inland Revenue may determine ;

- (c) in any other case the accounting periods of a trade or business shall be such periods not exceeding twelve months as the Commissioners of Inland Revenue may determine ;

and the expression "chargeable accounting period" means—

- (i) any accounting period determined as aforesaid which falls wholly within the five years beginning on the first day of April, nineteen hundred and thirty-seven ; and
  - (ii) in a case where any such accounting period falls partly within and partly without the said five years, such part of that period as falls within those five years.
- (3) Where a chargeable accounting period is not a period for which the accounts of the trade or business have been made up, such division and apportionment to specific periods of the profits and losses for any period for which the accounts relating to the trade or business have been made up, and such aggregation of any such profits or losses or any apportioned part thereof, shall be made as appears necessary to arrive at the profits arising in the chargeable accounting period.
- (4) Any apportionment under the last foregoing subsection shall be made in proportion to the number of months or fractions of months in the respective periods.

#### EXEMPTION AND ABATEMENT IN RESPECT OF MINIMUM PROFITS.

(1) Where the profits arising in any chargeable accounting period from a trade or business do not exceed two thousand pounds, those profits shall not be chargeable to the national defence contribution.

(2) Where the profits arising in any chargeable accounting period from a trade or business exceed two thousand pounds but are less than twelve thousand pounds, those profits shall, for the purpose of assessment to the national defence contribution, be reduced by a sum equal to one-fifth of the difference between the amount of those profits and twelve thousand pounds.

(3) In relation to a chargeable accounting period of less than twelve months, references in this section to two thousand pounds and twelve thousand pounds shall be construed as references to a sum which bears the same proportion to two thousand pounds or to twelve thousand pounds, as the case may be, as the length of the period bears to twelve months.

#### ASSESSMENT, COLLECTION, APPEALS, &C.

(1) The national defence contribution shall be assessed and collected by the Commissioners of Inland Revenue in accordance with the provisions of Part I of the Schedule (Assessment and collection of national defence contribution, appeals and supplementary provisions) to this Act, and shall be due and payable at the expiration of one month from the date of the assessment, and shall be recoverable as a debt due to His Majesty from the person on whom it is assessed.

(2) Any person who is dissatisfied with any such assessment may appeal subject to and in accordance with the provisions of Part II of the said Schedule.

(3) The provisions of Part III of the said Schedule shall have effect for the purpose of carrying into effect the provisions of this section and of Parts I and II of the said Schedule and otherwise for supplementing those provisions.

#### DEDUCTION OF NATIONAL DEFENCE CONTRIBUTION IN COMPUTING LIABILITY TO INCOME TAX.

(1) The amount of the national defence contribution payable in respect of the profits arising from a trade or business in any chargeable accounting period shall be allowed to be deducted as an expense in computing for the purpose of income tax the profits and gains arising from that trade or business in that period.

(2) Where an amount is allowed to be deducted as an expense by virtue of this section, any income tax overpaid in consequence thereof by any person shall be repaid to him.

#### Schedule.

##### ADAPTATIONS OF INCOME TAX PROVISIONS AS TO COMPUTATION OF PROFITS.

1. The profits shall be taken to be the actual profits arising in the chargeable accounting period, and the principles of computing profits by reference to any other period and, save as provided in the next following paragraph, of allowing losses sustained in any other period to be carried forward, shall not be followed.

2.—(1) Where a person carrying on a trade or business either solely or in partnership has, before the beginning of the first of the relevant accounting periods, sustained a loss (as computed for income tax purposes) in the trade or business, he may claim that so much of that loss shall be carried forward and deducted from or set off against the profits arising from the trade or business in any of the relevant accounting periods as could, under section thirty-three of the Finance Act, 1926, as amended by section nineteen of the Finance Act, 1932, be carried forward and deducted from or set off against the assessable income tax profits of the trade or business for the year of assessment corresponding to that accounting period :

Provided that, in ascertaining the amount (if any) that could be so carried forward and deducted from or set off against assessable income tax profits for a year of assessment corresponding to an accounting period—

(a) the amount of the assessable income tax profits for that year shall be taken to be equal to the amount of the profits arising in that accounting period (computed in like manner as profits arising in a chargeable accounting period are computed for the purpose of the national defence contribution but before making any deduction for wear and tear under the next following paragraph) ;

(b) the amount of the assessable income tax profits for any previous year of assessment corresponding to a previous relevant accounting period shall be taken to be equal to the amount of the profits (computed as aforesaid) arising in that previous accounting period ; and

(c) the amount of the deduction (if any) to be made from the assessable income tax profits under Rule 6 of the Rules applicable to Cases I and II of Schedule D for any year of assessment corresponding to a relevant accounting period shall be taken to be equal to the amount which, under the provisions of sub-paragraph (1) of the next following paragraph, falls to be deducted in computing the amount of the profits arising in that accounting period.

(2) Where a person carrying on a trade or business either solely or in partnership has, in any relevant accounting period, sustained a loss in the trade or business (to be computed in like manner as profits arising in a chargeable accounting period are computed for the purpose of the national defence contribution) he may claim that that loss shall be carried forward and, as far

as may be, deducted from or set off against the profits arising from the trade or business in the next relevant accounting period and, if and so far as it exceeds the profits so arising in that period, against the profits so arising in the next such period, and so on.

In the application of this sub-paragraph to a loss sustained by a partner in a partnership, references to losses or profits shall be construed as references to that partner's share in those losses or profits.

(3) For the purpose of this paragraph—

- (a) the expression "assessable income tax profits" in relation to any year of assessment means the profits or gains of the trade or business assessable to income tax under Schedule D for that year;
- (b) the expression "relevant accounting period" means any accounting period falling wholly or partly within the five years beginning on the sixth day of April, nineteen hundred and thirty-seven;
- (c) the year of assessment following that in which an accounting period ends shall be deemed to correspond to that accounting period.

3.—(1) There may be deducted in respect of any accounting period a sum (ascertained on the like basis as the amount of a deduction for wear and tear is ascertained under Rule 6 of the Rules applicable to Cases I and II of Schedule D) which represents the diminution in value by reason of wear and tear during that period of any plant or machinery in respect of which a deduction could be made under the said Rule 6, plus ten per cent. of that sum.

(2) Without prejudice to the foregoing provisions of this paragraph, there may, in the case of the first chargeable accounting period, be deducted any sum which, under paragraph (3) of the said Rule 6, falls to be added to the amount of the deduction for wear and tear to be made under that Rule in charging the profits or gains of the trade or business to income tax for the year 1937-1938:

Provided that if the amount of the deduction falling to be made under this sub-paragraph exceeds the amount of profits arising from the trade or business in the first chargeable accounting period, the excess shall, in lieu of being deducted in that chargeable accounting period, be deducted in the second chargeable accounting period if and in so far as there are profits arising in that period, and so on.

4. The principles of the Income Tax Acts under which deductions are not allowed for interest, annuities, or other annual payments payable out of the profits, or for royalties, or (in certain cases) for rent, and under which the annual value of lands, tenements, hereditaments, or heritages occupied for the purpose of a trade or business is excluded, and under which a deduction may be allowed in respect of such annual value, shall not be followed:

Provided that nothing in this paragraph shall authorise any deduction in respect of—

- (a) any payment of dividend or distribution of profits; or
- (b) any interest, annuity or other annual payment paid to any person carrying on the trade or business, or any royalty or rent so paid;

and, for the purpose of paragraph (b) of this proviso, where the trade or business is carried on by a company the directors whereof have a controlling interest therein, the directors shall be deemed to be carrying on the trade or business.

5. Income received from investments shall be included in the profits in the cases and to the extent provided in this paragraph, and not otherwise—

- (a) in the case of the business of a building society, or a banking business, assurance business or business consisting wholly or mainly in the dealing in

or holding of investments, the profits shall include all income received from investments except—

- (i) income received directly or indirectly by way of dividend or distribution of profits from a body corporate carrying on a trade or business to which the section of this Act charging the national defence contribution applies; and
  - (ii) income to which the persons carrying on the trade or business are not beneficially entitled;
- (b) in the case of any other trade or business, being a trade or business carried on by a body corporate, the profits shall include all income received by way of dividend or distribution of profits from any other body corporate in which the first-mentioned body corporate has a controlling interest and which is not liable to be assessed to the national defence contribution:

Provided that the profits of a body corporate which has a controlling interest in, and directs or is entitled to direct the management of, any other body corporate, being statutory undertakers, shall not in any case include any income received by way of dividend or distribution of profits from those undertakers.

6. No deduction shall be made on account of liability to pay or the payment of income tax or the national defence contribution.

7. No deduction shall be made in respect of any transaction or operation of any nature if and so far as it appears that the transaction or operation has artificially reduced the profits or created or increased a loss or would artificially reduce the profits or create or increase a loss.

8. In the case of a trade or business carried on in any chargeable accounting period by a company the directors whereof have a controlling interest therein, the deduction to be allowed in respect of the remuneration of the directors shall, if their remuneration exceeds fifteen hundred pounds, not exceed fifteen per cent. of the profits arising from the trade or business in that period (computed before making any deduction in respect of the remuneration of the directors), or fifteen thousand pounds, whichever is the less:

Provided that in relation to a chargeable accounting period of less than twelve months any reference in this paragraph to fifteen hundred pounds or fifteen thousand pounds shall be construed as a reference to a sum which bears the same proportion to fifteen hundred pounds or fifteen thousand pounds, as the case may be, as the length of the period bears to twelve months.

9. For the purpose of the foregoing provisions of this Schedule—

- (a) the expression "company" means a company within the meaning of the Companies Act, 1929, or the Companies Act (Northern Ireland), 1932;
- (b) the expression "director" has the same meaning as in section one hundred and forty-four of the Companies Act, 1929, except that it includes any person who—
  - (i) is a manager of the company or otherwise concerned in the management of the trade or business; and
  - (ii) is remunerated out of the funds of the trade or business; and
  - (iii) is the beneficial owner of not less than twenty per cent. of the ordinary share capital of the company;

and, for the purpose of sub-paragraph (b) of this paragraph, the expression "ordinary share capital" means all the issued share capital (by whatever name called) of the company, other than capital the holders whereof have a right to a dividend at a fixed rate, or a rate



fluctuating in accordance with the standard rate of income tax, but have no other right to share in the profits of the company.

10. Where the performance of a contract extends beyond the chargeable accounting period, there shall (unless the Commissioners of Inland Revenue owing to any special circumstances otherwise direct) be attributed to that period such proportion of the entire profit or loss which has resulted, or which it is estimated will result, from the complete performance of the contract as is properly attributable to that period, having regard to the extent to which the contract was performed in that period.

#### Schedule.

#### ASSESSMENT AND COLLECTION OF NATIONAL DEFENCE CONTRIBUTION, APPEALS AND SUPPLEMENTARY PROVISIONS.

##### PART I.

##### *Assessment and Collection.*

1. The national defence contribution payable in respect of any chargeable accounting period shall be assessed on the person carrying on the trade or business in that period.

2. Where two or more persons were carrying on the trade or business jointly in the relevant chargeable accounting period, the assessment shall be made upon them jointly and, in the case of a partnership, may be made in the partnership name, if any.

3. Where by virtue of the foregoing provisions of this Schedule an assessment could, but for his death, be made on any person either solely or jointly with any other person, the assessment may be made on his personal representative either solely or jointly with that other person, as the case may be.

4. Where any person liable to assessment under the foregoing provisions of this Schedule in respect of the profits arising from a trade or business in any chargeable accounting period is not resident in the United Kingdom, an assessment may be made upon any agent, manager, or factor resident in the United Kingdom through whom the trade or business was carried on in that period.

5. An assessment (including an additional assessment) may be made at any time within six years from the end of the chargeable accounting period in respect of which the assessment is made, and in the absence of a satisfactory return or other information on which to make an assessment the Commissioners of Inland Revenue may make an assessment according to the best of their judgment.

6. The Commissioners of Inland Revenue may make regulations with respect to the assessment and collection of the national defence contribution and may by those regulations apply and adapt any enactments relating to the assessment and collection of income tax.

##### PART II.

##### *Appeals.*

1. Any person who is dissatisfied with an assessment to the national defence contribution may appeal either to the General Commissioners for the division in which he is assessed for the purposes of income tax or to the Special Commissioners.

2. On any appeal under this Part of this Schedule, the General or Special Commissioners shall have power, if they think fit, to summon witnesses and examine them on oath.

3. The provisions of section one hundred and ninety-six of the Income Tax Act, 1918 (which relates to appeals in Northern Ireland from the Special Commissioners to the recorder or the county court judge) shall apply to

an appeal to the Special Commissioners in Northern Ireland under this Part of this Schedule.

4. The provisions of section one hundred and forty-nine of the Income Tax Act, 1918 (which relate to the statement of a case on a point of law) shall, with the necessary modifications, apply in the case of any appeal to the General or Special Commissioners under this part of this Schedule and in the case of any re-hearing of any such appeal in Northern Ireland, as it applies in the case of appeals to the General or Special Commissioners under the said Act.

5. Notwithstanding that an appeal is pending against an assessment to the national defence contribution, such part of the contribution assessed as appears to the Commissioners of Inland Revenue not to be in dispute shall be collected and paid in all respects as if it were a contribution charged by an assessment in respect of which no appeal was pending, and on the determination of the appeal any balance chargeable in accordance with the determination shall be paid, or any amount overpaid shall be repaid, as the case may require.

6. The Commissioners of Inland Revenue may make regulations with respect to the hearing of appeals under this Part of this Schedule, and may by those regulations apply and adapt any enactments relating to the hearing of appeals as to income tax by the Special or General Commissioners which do not otherwise apply.

7. In this Part of this Schedule the expressions "the General Commissioners" and "the Special Commissioners" have respectively the same meanings as in the Income Tax Act, 1918.

##### PART III.

##### *Supplementary Provisions.*

1. Any surveyor appointed for the purposes of the Income Tax Acts may by notice in writing require any person who carries on or has carried on any trade or business to which the section of this Act charging the national defence contribution applies to deliver to him a return of the profits arising from the trade or business in any period during which it was carried on by that person and to furnish him with any other particulars relating to the trade or business:

Provided that—

(a) where any such person as aforesaid is dead, or is a body corporate which is being wound up, the notice may be given to the personal representative of the dead person or liquidator of the body corporate, as the case may be;

(b) where the trade or business is or was being carried on by persons in partnership, the notice may be given in the partnership name, if any;

(c) where the person who carries on or has carried on the trade or business is not resident in the United Kingdom, the notice may be given to any agent, manager or factor resident in the United Kingdom through whom he is or was carrying on the trade or business.

2. Every person to whom a notice is given under the last foregoing paragraph shall comply with the requirements thereof within one month from the date of the notice:

Provided that where a notice is given in the partnership name to the persons who are or were carrying on a trade or business in partnership it shall be the duty of the precedent partner or, where no partner is resident in the United Kingdom, of the agent, manager or factor of the firm resident in the United Kingdom, to comply with the requirements of the notice.

For the purpose of this paragraph the expression "the precedent partner" has the same meaning as in para-

graph (2) of Rule 10 of the rules applicable to Cases I and II of Schedule D in the Income Tax Act, 1918.

3. Where a body corporate is being wound up, the liquidator of the body corporate shall not distribute any of the assets of the body corporate to the members thereof unless he has made provision for the payment in full of any national defence contribution which may be found payable by the body corporate.

4. If any person without reasonable excuse contravenes or fails to comply with any of the foregoing provisions of this part of this Schedule, he shall be liable on summary conviction to a fine not exceeding five hundred pounds, and in a case where he fails to comply with the requirements of paragraph 2 of this Part of this Schedule, to a further fine not exceeding fifty pounds for every day on which the failure continues.

5. In a bankruptcy, in the winding-up of a company, and in the event of a receiver being appointed on behalf of the holders of any debentures of a company secured by a floating charge or of possession of any property comprised in or subject to a floating charge being taken by or on behalf of the holders of any debentures of a company secured by that charge, the same priority shall be given to the national defence contribution as is, by the enactments relating to bankruptcy and companies, required to be given to income tax.

6. All Commissioners and other persons employed for any purpose in connection with the assessment or collection of the national defence contribution shall be subject to the same obligations as to secrecy with respect to the contribution as they are subject to with respect to income tax, and any oath taken by any such person as to secrecy with respect to income tax shall be deemed to extend also to secrecy with respect to the national defence contribution.

## Changes and Removals.

Mr. W. Burrows, Incorporated Accountant, has commenced to practise at 54, Deansgate, Manchester.

Messrs. Chakravarti, Choudhuri & Co., Incorporated Accountants, announce a change of address to 2, Church Lane, Calcutta.

Mr. C. S. Holliday, practising as Fredk. & C. S. Holliday, Incorporated Accountants, Prudential Buildings, Park Row, Leeds, announces that he has been joined in partnership by Mr. Herbert Bray, Mr. Norman M. Parkin, Mr. F. C. Holliday, Mr. James Jackson, and Mr. W. Barton Holliday. The practice will be continued under the same name and style as heretofore.

Messrs. Jacob & Haynes, Incorporated Accountants, Wardrobe Chambers, 146A, Queen Victoria Street, London, E.C.4., have admitted into partnership Mr. Sidney Brown, A.S.A.A. The name of the firm will remain unchanged.

Messrs. Price, Waterhouse & Co., Chartered Accountants, have opened an office at Talstrasse 9, Zurich, Switzerland

Mr. Albert Frederick Saunders, Mr. William Edmund Brown, and Mr. Frank Henry Turner intimate that they have entered into partnership, and as from July 1st, will practise under the style of Saunders, Brown and Turner, Incorporated Accountants, at 4, Crosby Square, London, E.C.3.

## PUBLIC TRUSTEE'S REPORT.

The following is the report of the Public Trustee for the year ended March 31st, 1937:—

I have the honour to submit the Twenty-ninth General Report covering the twelve months ending March 31st, 1937, on the Office of the Public Trustee. The business of the Office continues to expand though there has been a slight slackening in the rate of expansion compared with the two immediately preceding years. The value of the new business, however, showed an increase over that of last year and the proportion of cases under £5,000 in value a decrease. Details are as follows:—

1. Expenses amounted to £303,137, an increase over last year of £7,104. The total cost of salaries increased by £4,052. The cost of normal increments was £4,354, due to some extent to the improvement in the maximum of the scale of the General Clerical class, the difference being accounted for by a saving on retirements for age and transfers of staff replaced by new recruitment. Rent, rates, maintenance, lighting, &c., were more by £2,128, mainly due to the necessity for taking into occupation the accommodation previously let to the Judge Advocate General. Stationery and printing showed a decline of £338 but there was an increase of £163 in the cost of audit by the Exchequer and Audit Department. The charge for postage and telephones was less by £83. The reserve for pensions was increased by £382.

2. Receipts amounted to £328,160, an increase of £8,162 on the receipts of the previous year, in spite of the loss of £1,100 credit in respect of the accommodation occupied by the Judge Advocate General. They, however, included the sum of £17,825 received in earlier years but not brought into account by the Manchester Office.

3. The staff at March 31st, 1937, amounted to 847, an increase of 17—11 in London and 6 in Manchester.

4. The number of new cases accepted was 948, a decrease of 23 as compared with last year. The aggregate value of new business, including accretions to existing trusts, was £14,415,405, an increase of £314,329.

5. The average value of trusteeships has increased from £10,399 to £14,554, and the executors have decreased in average value from £19,452 to £15,604.

6. Of the cases accepted during the year, approximately 58 per cent. were under £5,000 in value.

7. Final distributions were made in 836 cases, as compared with 792 cases in the previous year. The total number of cases accepted to March 31st, 1937, was 34,104, of which 15,042 have been completely distributed, leaving 19,062 under administration. An increase of 112 over last year.

8. The nominal capital value of the funds now under administration (excluding landed property and settled land estimated at £53,300,000 and cash at banks, approximately £2,500,000) is £218,132,218, an increase of £1,888,074.

9. I regret to have to report a loss of £800, being the amount of a payment made *ex gratia* and without admission of liability in settlement in Court of an action arising out of a fraud by a co-executor, brought against me by a trustee in bankruptcy.

10. I have to thank the Honorary Investment Advisory Committee (Sir Robert Kindersley, G.B.E., Sir John Mullens, Mr. R. M. Holland Martin, C.B., Mr. H. A. Trotter and Mr. E. L. Gosling) for their help throughout the year. At its close Mr. E. L. Gosling retired from the Committee on his retirement from business. Your Lordship appointed in his place Mr. E. S. Cripps.

## The Society of Incorporated Accountants and Auditors.

### RESULTS OF EXAMINATIONS, MAY, 1937.

#### Passed in Final.

##### Order of Merit.

MARGETTS, JOHN WILLIAM, Clerk to Cooper & Cooper, Plantation House, 34, Fenchurch Street, London, E.C.3. (*First Certificate of Merit and First Prize.*)

FENDICK, DOUGLAS ROWING, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, Finsbury Circus, London, E.C.2. (*Second Certificate of Merit and Second Prize.*)

CUSK, FRED, Clerk to Black, Geoghegan & Till, 67, Watling Street, London, E.C.4. (*Third Certificate of Merit.*)

MASTERS, WILLIAM FREDERICK, Clerk to E. V. Amsdon (Amsdon, Son, Wells & Jackson), 22, Wallbrook, London, E.C.4. (*Fourth Certificate of Merit.*)

RUSSELL, FRANK BERNARD, Borough Accountant's Department, Town Hall, Douglas, I.O.M. (*Fifth Certificate of Merit.*)

##### Alphabetical Order.

ALLISON, JOHN MONTAGUE, Clerk to Baker & Co., Castilian Chambers, Castilian Street, Northampton.

ATHERTON, JAMES FLETCHER, Clerk to Latham & Taylor, Martins Bank Chambers, Market Place, Wigan.

BANKS, EDWARD WILLIAM, Clerk to George E. Millson, 252, High Road, Leyton, London, E.10.

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BARR, HAROLD, Clerk to S. Larkin, City Treasurer, The Council House, Coventry.

BARROWCLOUGH, CLIFFORD FEARGUS, Clerk to Joseph Binns, Exchange Buildings, Mirfield.

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BIBBY, JOHN MARCUS, Clerk to F. W. Coope (Greenhalgh & Coope), 23A, Clifton Street, Blackpool.

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BIRCH, ALBERT, Clerk to Evans, Peirson & Co., Portland House, 73, Basinghall Street, London, E.C.2.

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BROWN, HERBERT LOUIS, Clerk to Eric Portlock (Singleton, Fabian & Co.), 8, Staple Inn, London, W.C.1.

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DAVIES, SAMUEL, Borough Treasurer's Department, Town Hall, Bournemouth.

DAVIS, ARTHUR CYRIL GORDON, City Treasurer's Department, The Guildhall, Portsmouth.

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DICKINSON, GEORGE BROW, Clerk to G. A. Windsor, 8, East Parade, Leeds.

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DRYLAND, SIDNEY FRANK, Clerk to Butler, Viney & Co., 60, St. Paul's Churchyard, London, E.C.4.

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DYKE, PERCY JOHN, Clerk to H. O. Johnson (Mundy, Brewer & Johnson), 3, Wood Street, Queen Square, Bath.



## FINAL—(Continued)

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- ELLSON, LESLIE CAMPBELL, Clerk to J. F. Mallabar (J. F. Mallabar & Co.), British Columbia House, 1, Regent Street, Waterloo Place, London, S.W.1.
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- GORDON, KENNETH FLEETWOOD, Clerk to C. A. Holliday & Co., Dominion Buildings, 2, South Place, Moorgate, London, E.C.2.
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- GRANTHAM, ROBERT ROY, Clerk to Layton-Bennett & Co., 23, Blomfield Street, London, E.C.2.
- GRIFFIN, STANLEY JORDAN, Clerk to F. E. Hatfield (Hatfield, Dixon & Co.), 37, Walbrook, London, E.C.4.
- GUNN, WALTER PERCY, Clerk to V. Wolfgang, Bell & Co., 27 and 28, Old Jewry, London, E.C.2.
- HARDING, WILLIAM FRED, Clerk to Gale & Hutchinson, Royal Insurance Buildings, Bowlalley Lane, Hull.
- HARFORD, WILLIAM PERCY, Clerk to Stanley F. Stephens & Co., Martin Chambers, 28, Martin Lane, Cannon Street, London, E.C.4.
- HARRISON, CHARLES ELON, Clerk to Kimpton, Holland & Co., Tredegar Chambers, Newport, Mon.
- HARRISON, ERNEST CECIL, Clerk to A. Hannah, 51, North John Street, Liverpool.
- HARRISON, MORRIS EDWIN, Clerk to G. F. Anderson, 44, Devon Square, Newton Abbot, Devon.
- HAYDEN, WILLIAM JOHN, Clerk to Bishop & Hayden, 32, Prince of Wales Road, Norwich.
- HENDERSON, JOHN JAMES, Clerk to J. Vincent Baines (Sherwood, Baines & Co.), 115, High Street, Stockton-on-Tees.
- HEYS, HAROLD, City Treasurer's Office, Salford.
- HIGGINBOTHAM, CUTHBERT CHARLES EMERTON, Clerk to John Watson, County Treasurer of Cumberland, The Courts, Carlisle.
- HYATT, FRANK, Clerk to C. S. Garraway, 19, North Church Street, Sheffield.
- JACKSON, GORDON WILLIAM, Clerk to Thoseby, Son & Co., District Bank Chambers, Market Street, Bradford.
- JACKSON, TOM (Jackson & Senior), 3, Branch Road, Batley, Practising Accountant.
- JAMES, EDWARD ALBERT, Finance Department, Surrey County Council, County Hall, Kingston-on-Thames.
- JARRATT, ARTHUR, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- JENKINS, WALTER, Clerk to Baddiel, Sleeman & Co., 10, Northampton Place, Swansea.
- JONES, GEORGE BARRETT, Clerk to Sidney H. Buckland & Son, Moorgate House, 38, Belle Vue Street, Swansea.
- JONES, THOMAS WINSTON, Clerk to D. Hubert Jones (Hubert & Winston Jones), 2, De La Beche Street, Swansea.
- JONES, WILLIAM SIDNEY, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, Finsbury Circus, London, E.C.2.
- KEENE, RONALD WALLACE, Clerk to Spain Brothers & Co., 45, London Wall, London, E.C.2.
- KELLY, JOHN FRANCIS, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool.
- KENNA, GEORGE WILLIAM, Clerk to Barton, Mayhew & Co., Alderman's House, Bishopsgate, London, E.C.2.
- KENZIE, WILLIAM ALBERT, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.
- KOCHANEK, CECIL TEOPHIEL, Clerk to Charles Wakeling, 8, Serjeant's Inn, Temple, London, E.C.4.
- LANE, SIDNEY EDWARD, Clerk to Armitage, Norton, Boyce & Co., 25-31, Moorgate, London, E.C.2.
- LAWSON, HORACE GRAEME, Accountant Auditor's Office, Town Hall, Sheffield.
- LEOPARD, VICTOR GARNET WICKSTEED, Clerk to J. C. White (White & Greaney), Coastal Chambers, 172, Buckingham Palace Road, London, S.W.1.
- LIGHTFOOT, JOHN, Ministry of Health, No. 2 Audit District, Preston.
- LUCAS, JOHN OLIVER BRAMWELL, Clerk to S. A. Martin, 43, Dame Street, Dublin.
- LUCAS, WILLIAM GRAHAM, Borough Treasurer's Office, Worthing.
- MCDERMOTT, JOHN PATRICK, Clerk to Purtil & Co., 33-34, Anglesea Street, Dublin, C.4.
- MCINTEE, EDWARD BRUCE, Clerk to Cape & Dalgleish, 123, Cannon Street, London, E.C.4.
- MACHEPSON, DONALD RODERICK, Clerk to Alfred G. Milton, Treasurer and Accountant, Town Hall, Weston-super-Mare.
- MAINWARING, JOHN GORDON, Clerk to Barnett & Co., 65, Holborn Viaduct, London, E.C.1.
- MAKEPEACE, HARTLEY CLEMITSON, Clerk to J. A. & F. T. Iveson, Bank Chambers, Priestpople, Hexham.
- MANTELOW, DENIS STANLEY, Clerk to Chantrey, Button & Co., Africa House, Kingsway, London, W.C.2.
- MANNING, EDWARD ATKINSON, Clerk to N. R. Bowker (Windle & Bowker), Midland Bank Chambers, Barnoldswick.
- MARSHALL, WILLIAM DAVID, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.

## FINAL—(Continued)

- MASTERTON, JAMES STEWART, City Chamberlain's Department, City Chambers, Edinburgh.
- MATHEWS, SYDNEY ALBERT MANN, Clerk to Kemp, Chatteris, Nichols, Sendell & Co., 36, Walbrook, London, E.C.4.
- METHOLD, REGINALD CLIFFORD, Clerk to Carpenter, Box & Co., Liverpool Chambers, Worthing.
- MILLER, CHARLES RAYMOND, formerly Clerk to Bolton, Wawn & Co., 48, West Sunniside, Sunderland.
- MOORE, RICHARD LAURENCE, Borough Treasurer's Department, 14, High Street, Bedford.
- MOSES, LLOYD OLIVER, Clerk to H. G. Kingscott (Kingscott, Dix & Co.), 1, Barton Street, Gloucester.
- MOSS, KENNETH VIVIAN, Clerk to L. F. Elverstone, Temple Chambers, Coalville, near Leicester.
- MUNSON, JAMES ARTHUR, Clerk to Barton, Mayhew & Co., Alderman's House, Bishopsgate, London, E.C.2.
- NADIN, NEVILLE RADFORD, Clerk to Nutt, Horne & Co., St. James's Chambers, St. James's Street, Derby.
- NEWBY, HERBERT, Clerk to Robert B. Walker, 1, Richmond Terrace, Blackburn.
- NICHOLLS, LEONARD CHARLES, Clerk to Thomas G. Weavers, 5, Budge Row, Queen Victoria Street, London, E.C.4.
- NORFOLK, MARGARET URSULA, Clerk to Pike, Norfolk & Co., Mayfield Chambers, 93, Station Road, Clacton-on-Sea.
- OLD, NORMAN BURTON, Borough Treasurer's Department, Municipal Buildings, Middlesbrough.
- OLIVER, GEORGE ALEXANDER HAMILTON, Clerk to Walter Hunter, Bartlett, Thomas & Co., 24, Bridge Street, Newport, Mon.
- O'MAHONY, THOMAS PETER, Clerk to Purtil & Co., 33-34, Anglesea Street, College Green, Dublin, C.4.
- PALLOT, ALEXANDER GLEN, Clerk to Richard Leyshon & Co., 128-9, Bute Street, Cardiff.
- PARRY, ROBERT CECIL, Clerk to S. H. Horrocks & Son, 20, Chancery Lane, Bolton, Lanes.
- PARTIDGE, GEORGE EDWIN, Clerk to F. Geen & Co., Victoria Chambers, Liverpool Road, Stoke-on-Trent.
- PEARCE, GORDON OWEN PERCY, Clerk to Ernest R. Bradley (Bradley & Slater), 584, Christchurch Road, Boscombe, Bournemouth.
- PEARSON, CLIFFORD, Clerk to Theo. S. Sheard (Vickers & Winder), 34, Castle Street, Liverpool.
- PETERSON, WILLIAM WOODBINE, Borough Treasurer's Department, County Borough of West Ham, Municipal Offices, The Grove, Stratford, E.15.
- PETTY, HERBERT, Clerk to Edward Clough, 64, Devonshire Street, Keighley.
- PITMAN, SIDNEY ROY, Clerk to R. E. Starkie (Starkie & Naylor), Greek Street Chambers, Leeds.
- PLUMMER, JAMES ALFRED THOMAS, Clerk to E. E. Osmond (Ernest Osmond & Co.), Bank Chambers, 329, High Holborn, London, W.C.1.
- POLANSKY, SOLOMON, Clerk to Joel Auerbach, Old Trinity House, Water Lane, Great Tower Street, London, E.C.3.
- PRICE, WALTER HAMILTON, Clerk to Frank I. Nickson & Co., 2, St. John's Walk, Blackpool.
- PROCTOR, COLIN ST. CLAIR, Clerk to A. S. Darr & Co., Royal London House, 17, Finsbury Square, London, E.C.2.
- PURSELL, BERTRAM JOHN, Clerk to P. V. Wheeler (Harper, Kent & Wheeler), Old Bank Buildings, Bellstone, Shrewsbury.
- RAMSBOTTOM, JOHN, Clerk to Edward Hope & Co., 20, Willow Street, Accrington.
- REDSHAW, JACK, Clerk to W. Tate (Smithson, Blackburn & Co.), Atlas Chambers, King Street, Leeds.
- REVILL, JOHN, Clerk to R. H. Bridgwater & Co., 3, New Street, Birmingham.
- RICHARDSON, REGINALD, Clerk to Herbert Stephenson, 24, Balcony, Corn Exchange, Leeds.
- ROBERTS, NOEL INIGO, Clerk to J. L. Mudd, Norwich Union Chambers, Congreve Street, Birmingham.
- ROSTRON, DONALD ARTHUR, Clerk to R. F. Woodroffe, 29, Harrogate Road, Undercliffe, Bradford.
- RUCK, GEORGE WILLIAM, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.
- SAMPSON, JACK ROLAND, Accountant's Department, County Council of Durham, Shire Hall, Durham.
- SCARBOROUGH, FRANK ERNEST, Borough Treasurer's Office, Hampstead Borough Council, Town Hall, Haverstock Hill, London, N.W.3.
- SHARPLES, JOHN, Clerk to James L. Beesley, 21, Cross Street, Preston.
- SHEARING, ERIC GEORGE, Clerk to W. Thomas (Fredk. J. Webb, Krinks & Thomas), 1, Yelverton Road, Bournemouth.
- SHINER, ALFRED, Borough Treasurer's Office, The Elms, Cross Roads, Watford.
- SIMPSON, DOUGLAS BURGESS, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- SIMPSON, GEORGE EDWARD, Clerk to Chantrey, Button & Co., Africa House, Kingsway, London, W.C.2.
- SIMPSON, ROBERT BAZETH BLYTH, Clerk to H. J. Bicker (Edward Bicker & Son), Hinton Buildings, Hinton Road, Bournemouth.
- SINCLAIR, JOHN TAYLOR, Town Chamberlain, Burgh Chambers, Tayport, Fife.
- SMETHURST, JAMES EATON, Clerk to W. E. Nelson & Co., Derby Square, Castle Street, Liverpool.
- SMITH, KENNETH CONWAY, Clerk to C. Percy Barrowcliff & Co., 55 and 57, Albert Road, Middlesbrough.
- SMITH, WARREN SHOPLAND, Clerk to D. Sirkin (Baker & Co.), Castilian Chambers, Castilian Street, Northampton.
- SMITHSON, ARTHUR, Clerk to S. R. Fuller & Co., Lillie's Chambers, 39, Albion Street, Leeds.
- SPREADBROW, FREDERICK GEORGE, Clerk to H. E. Davis (Davis, Kellie & Co.), 83, Fore Street, Moorgate, London, E.C.2.
- STEELE, BRIAN WILFRID, Clerk to John James & Co., 4, Walbrook, London, E.C.4.
- SWAIN, SIDNEY WILLIAM, Clerk to Edwin G. Pulsford, 233, High Street, Poole.
- TANNER, ALBERT DOUGLAS, Clerk to W. E. Holland, Dunedin House, 2, Basinghall Avenue, London, E.C.2.
- TELFER, ARCHIBALD FRANCIS XAVIER, Clerk to Joseph W. Shepherd, 78, King Street, Manchester.
- THOMPSON, GEORGE, Clerk to P. W. Lawrie, Halifax Building, 79, Granby Street, Leicester.
- THORLEY, DENIS, Clerk to Morgan, Crumpton, Cappleman & Co., Paragon House, Paragon Street, Hull.
- TOOKE, HAROLD, Clerk to Alfred Southern & Co., Northern Assurance Buildings, Albert Square, Manchester, 2.
- TOVEY, HUGH STEPHEN, Clerk to Button, Stevens & Witty, 7, Union Court, Old Broad Street, London, E.C.2.
- TURNER, GEOFFREY MAURICE, Clerk to D. S. T. Pettitt (Pettitt & Son), Lloyds Bank Chambers, 45-47, Old Christchurch Road, Bournemouth.

## FINAL—(Continued)

VIDGEON, WILFRID BERRY HAMMOND, Clerk to C. F. Rumble (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.

WAINWRIGHT-FAHEY, CECIL JOSEPH, Clerk to E. G. Bourne & Son, Terminus Chambers, 6, Holborn Viaduct, London, E.C.1.

WALTERS, NORMAN ALFRED, Clerk to Westcott, Maskall & Co., 29 and 30, Broad Street Avenue, London, E.C.2.

WARBRICK, RICHARD, Clerk to F. A. Cawson, Webster & Co., 34, Castle Street, Liverpool.

WEBSTER, MARK, Clerk to Whitfield, Wilson, Couper & Co., Martins Bank Chambers, Park Row, Leeds.

WHITE, EDWIN HENRY, Finance Department, Borough of Willesden, Town Hall, Dyne Road, Kilburn, London, N.W.6.

WHITEHEAD, PETER MACKENZIE, Clerk to Butterell & Ridgway, 21, Parliament Street, Hull.

WHITEHEAD, RALPH GORDON, Clerk to Edmund D. White & Sons, London & Lancashire Chambers, 45A, Dale Street, Liverpool.

WHITMILL, JAMES NOEL, Clerk to Davie Parsons & Co., 6, Bishopsgate, London, E.C.2.

WIGLEY, ELPYNN EDWARD, B.A., City Treasurer's Department, The Council House, Birmingham.

WINFIELD, LEONARD GRAHAM, Clerk to Colin Thirsk (Ransom Harrison & Lewis), 11, York Street, Sheffield.

WOOD, EDWARD LAWRENCE MERVYN, Clerk to John Wood & Son, 179, Dock Street, Newport, Mon.

WOODWARD, BERTRAM HUGHES, Clerk to W. Johnstone, (Johnstone, Moulder, Tranter & Tyers), 13, Church Street, Kidderminster.

## SUMMARY :—

5 Candidates awarded Honours.

176 Candidates passed.

206 Candidates failed.

387 Total.

## Passed in Intermediate.

## Order of Merit.

MOODY, ARTHUR, Chief Financial Officer, Ashton-in-Makerfield Urban District Council, Town Hall, Ashton-in-Makerfield, Lancashire. (*First Place Certificate and Prize.*)

MORRIS, GORDON ALEC JAMES, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2. (*Second Place Certificate.*)

PARKER, WILLIAM JOHN, Clerk to Price, Waterhouse & Co., 3, Frederick's Place, Old Jewry, London, E.C.2. (*Third Place Certificate.*)

LEES, FREDERICK WILLIAM, Clerk to Walton, Watts & Co., 41, Spring Gardens, Manchester, 2. (*Fourth Place Certificate.*)

KENT, ARTHUR WILLIAM, City Treasurer's Office, Town Hall, Manchester, 2. (*Fifth Place Certificate.*)

BARRETT, WILLIAM BULCOCK, Clerk to Fookes, Wyatt, Williams & Hickman, Salisbury House, London Wall, London, E.C.2. (*Sixth Place Certificate.*)

WATT, FRANCIS ALBERT, Clerk to J. Paxton Clarkson (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2. (*Seventh Place Certificate.*)

## Alphabetical Order.

ATHIS, GEOFFREY FRANCIS, Clerk to H. T. Gore Gardiner, 238-243, Temple Chambers, Temple Avenue, London, E.C.4.

BALL, RAYMUND, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.

BARKER, LESLIE GORDON, Clerk to Spicer & Pegler, 19, Fenchurch Street, London, E.C.3.

BEADLE, JOHN FRANCIS, Clerk to Ernest A. Lane, Borough Accountant, Municipal Offices, Guildford.

BECK, WALTER, Clerk to W. H. Shaw & Sons, 56, Westgate, Wakefield.

BEHRMANN, NOAH (Gordon Taylor & Behrmann), Finsbury Court, Finsbury Pavement, London, E.C.2, Practising Accountant.

BERRISFORD, HENRY JOHN, Clerk to Bournier, Bullock & Co., Albion Street, Hanley, Stoke-on-Trent.

BODSWORTH, CHARLES WALTER, Clerk to Hancock & Ashford, 57, Surrey Street, Sheffield, 1.

BOOKER, HENRY, Clerk to James Gadsby (Samuel Edward Short & Co.), 17, Gluman Gate, Chesterfield.

BOON, JAMES PERCY FREDERICK, Clerk to S. T. Tunbridge (Tunbridge & Lacey), 6, South Quay, Great Yarmouth.

BRASSINGTON, ERIC, Clerk to W. B. Keen & Co., 23, Queen Victoria Street, London, E.C.4.

BURCHNALL, WILLIAM HUGH, B.A., Clerk to C. Gordon Larking (Larking, Larking & Whiting), Bridge Buildings, Nene Quay, Wisbech.

BUTTERWORTH, ERNEST, Clerk to T. N. Steel (T. N. Steel & Co.), Union Bank Chambers, Market Place, Huddersfield.

BYRNE, JOHN BERNARD, B.Com., Clerk to J. Woods (Magee, Woods & Hillan), 3, College Green, Dublin.

CAMPSIE, THOMAS BOOTH, Clerk to Hodgson, Harris & Co., Orient Buildings, Station Road, Fleetwood, Lancs.

CHAPMAN, FRANCIS ROBERT, Audit Office, Co-operative Wholesale Society, Ltd., 84, Westmorland Road, Newcastle-upon-Tyne.

CHATTERJI, GURU PROSAD, B.Sc., formerly Clerk to Batliboi & Purohit, 6, Hastings Street, Calcutta.

CHEETHAM, JOHN DUNCAN RITCHIE, Clerk to Highfield, Prichard & Mumby, A. Queen Insurance Buildings, 10, Dale Street, Liverpool.

CHILD, JOHN RICHARD, Clerk to T. Harold Platts (T. Harold Platts & Co.), 126, Colmore Row, Birmingham.

CHURCHES, EDWARD HENRY, Audit Office, Co-operative Wholesale Society, Ltd., Co-operative Chambers, Prince Street, Bristol, 8.

CLARK, HERBERT CHARLES, Clerk to Josolyne, Miles, Page & Co., 28, King Street, Cheapside, London, E.C.2.

CLARK, LESLIE GORDON, Accountant's Department, Carshalton Urban District Council, The Grove, Carshalton, Surrey.

CLARKE, ARNOLD, Clerk to Fred A. Fitton, Wilson, Smith & Martin, British Dominions House, 30, Cross Street, Manchester.

CLOUGH, SYDNEY, Clerk to J. Butterworth, Borough Treasurer, Town Hall, Wigan.

CROPPER, FRANK, Clerk to H. Booth Brown (T. Booth Brown & Son), 63, Deansgate Arcade, Manchester, 3.

CUTHBERT, JOHN GEORGE WILSON, Clerk to J. F. Wreford (Simpson, Wreford & Co.), 424-427A, Bank Chambers, 329, High Holborn, London, W.C.1.

DARK, WALTER JOHN, Clerk to R. G. Rutter, Borough Treasurer, Town Hall, Batley.

DAVENPORT, ANGUS FORBES, Clerk to Barton, Mayhew & Co., 16, Hill Street, St. Helier, Jersey.

DAVIES, WILFRED BENJAMIN, Clerk to Carter & Co., Lancaster House, Newhall Street, Birmingham, 3.



## INTERMEDIATE—(Continued)

- DEVOIL, HAROLD PATRICK, Accountant's Department, Skelton & Brotton U.D.C., Council Offices, Skelton-in-Cleveland.
- DEY, MON MOHON, Clerk to E. S. Howard, Pye & Co., 6, Martin Lane, Cannon Street, London, E.C.4.
- DICKINSON, HAROLD ALEXANDER, Clerk to Goldie, Campbell & Robins, Bank Chambers, Lowgate, Hull.
- DUBASH, MINU DOSABHAI, formerly Clerk to Kalyaniwala & Mistry, 20, Apollo Street, Fort, Bombay.
- DUCKELS, LESLIE, Clerk to G. W. Townend & Co., Carlisle Chambers, Goole.
- DURELL, EDWARD CLARENCE, Clerk to J. T. A. Willcox, Barclay's Bank Chambers, St. Helier, Jersey.
- DYSON, RICHARD WILLIAM, Clerk to Ramsbottom & Heap, 15, Carr Road, Nelson.
- EMMEL, ALEXANDER FELIXIEN, Clerk to Christopher Waller (Christopher Waller & Co.), 27, Fitzroy Square, London, W.1.
- EMMINGS, THOMAS JAMES JACKSON, County Accountant's Department, The County Offices, Dorchester.
- EMMOTT, DOUGLAS, Clerk to G. A. Lister (G. A. Lister & Co.), 4, New Street, Huddersfield.
- ESNOUF, FRANCIS JOHN, Clerk to E. C. Malyon (Pawley & Malyon), Finsbury Court, Finsbury Pavement, London, E.C.2.
- EVANS, CYRIL MONTAGUE, Clerk to Bird & Potter, 28, Victoria Street, Westminster, London, S.W.1.
- EVANS, THOMAS JOHN, Clerk to F. Jennings (F. Jennings & Co.), Borough Chambers, Neath.
- EVERSHED, VALENTINE WILFRID, Clerk to Amy Charman, Sundial House, 49-50, High Street, Guildford.
- FEIN, EDWARD ARTHUR, Clerk to Stagg, Mather, Hough & Young, 52, Avenue des Champs-Élysées, Paris.
- FENWICK, JOHN WILLIAM ORR, Borough Treasurer's Department, Town Hall, South Shields.
- FLETCHER, DOUGLAS LESLIE, Clerk to Walter E. Moore, 95, Queen Street, Sheffield, 1.
- FLETCHER, ERIC, Clerk to Edward E. Groome (Groome & Ramsdale), 4, Norfolk Street, Manchester.
- FRYER, JOHN ANTHONY, Clerk to E. Cassleton Elliott (Cassleton Elliott & Co.), 4 and 6, Throgmorton Avenue, London, E.C.2.
- FUNNELL, RICHARD CAPEL, Clerk to Albert C. Harris (Pullen & Co.), 104, Great Russell Street, London, W.C.1.
- GARNER, WILLIAM HENRY, Clerk to A. Bates (Alfred Bates & Co.), Majestic Buildings, 33, Pall Mall, Hanley, Stoke-on-Trent.
- GARRARD, HAROLD STEPHEN, Borough Treasurer's Department, Municipal Buildings, Middlesbrough.
- GEORGE, FRANCIS THOMAS, Clerk to F. Jennings (F. Jennings & Co.), Borough Chambers, Neath.
- GILBERT, RICHARD ERNEST, Clerk to F. W. Buzzacott (Buzzacott, Lillywhite & Co.), 41, Moorfields, London, E.C.2.
- GILLOTT, ALEC, Clerk to J. W. Wilkinson & Co., 12, Priory Place, Doncaster.
- GLEDHILL, EDWIN, Clerk to H. V. Wood & Co., District Bank Chambers, Huddersfield.
- GODDARD, ALFRED ARTHUR, Clerk to Fuller, Wise, Fisher & Co., Bassishaw House, Basinghall Street, London, E.C.2.
- GOODWIN, LEONARD, Clerk to J. Paterson Brodie & Son, Moor House, Moorland Road, Burslem, Stoke-on-Trent.
- GOVETT, EDWARD KEITH, Clerk to Murray E. J. Pearce (Wheatley, Pearce & Co.), 102, High Street, Poole.
- GRANDIN, GEORGE, Clerk to Ronald Dryden, Norfolk House, 11, Norfolk Street, Manchester, 2.
- GREEN, THOMAS, Clerk to Binder, Hamlyn & Co., River Plate House, 12-13, South Place, London, E.C.2.
- GRIFFITHS, JAMES AUSTEN, Clerk to Franklin, Wild & Co., Orient House, 42-45, New Broad Street, London, E.C.2.
- HALL, KENNETH, Accountant's Department, Northumberland County Council, County Hall, Newcastle-upon-Tyne, 1.
- HALL, WILLIAM HORNER, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- HALLEY, EDWARD, Clerk to W. A. Deevy (W. A. Deevy & Co.), 29, Barronstrand Street, Waterford.
- HAMMERSLEY, HENRY, City Treasurer's Department, Town Hall, Stoke-on-Trent.
- HARGREAVES, FRANK, Clerk to Thomson, McLintock & Co., 57, King Street, Manchester, 2.
- HARPER, EDGAR CECIL, Clerk to Lord, Foster & Co., 37, Walbrook, London, E.C.4.
- HARRIS, JACK, Borough Treasurer's Office, Civic Centre, Southampton.
- HARRISON, JAMES, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- HARVEY, WILLIAM, Town Clerk's Department, Newtownards Urban District Council, Town Hall, Newtownards, Co. Down.
- HELMORE, KENNETH WILLIAM, Clerk to Miall, Avery & Co., 9, Idol Lane, Eastcheap, London, E.C.3.
- HENDRY, ANDREW, Clerk to Galloway, Sloan & Co., 45, West Nile Street, Glasgow.
- HIGH, HERBERT GEOFFREY, Clerk to H. P. Gould & Son, 8, Upper King Street, Norwich.
- HILLAN, JAMES JOSEPH GERARD, Clerk to Edward V. Hillan (Magee, Woods & Hillan), Donegall Chambers, 13, Donegall Place, Belfast.
- HINTON, EDGAR, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, Finsbury Circus, London, E.C.2.
- HODGSON, JACK, Clerk to Wm. Robertshaw & Myers, Barclays Bank Chambers, North Street, Keighley.
- HOLYLAND, SIDNEY ALFRED, Clerk to J. C. Carr Braint (Carr Braint & Johnson), General Buildings, King Street and Wellington Street, Leicester.
- HUGHES, RICHARD HAROLD, Clerk to H. R. Harper (W. Vincent Vale & Co.), 16, Waterloo Road, Wolverhampton).
- HURST, JACK HORACE, Clerk to F. N. Parker (Thomas May & Co.), Allen House, Newarke Street, Leicester.
- IRWIN, CHARLES ALFRED, Clerk to Jackson, McCann & Co., 37, Donegall Place, Belfast.
- ISAAC, JACK ALONZO, Clerk to Edgar C. Condy (E. C. Condy & Co.), 15, Princess Square, Plymouth.
- JACKSON, EDWARD WILSON, Clerk to C. Thornton, 22, Lune Street, Preston.
- JACKSON, GARTH SAGAR, Clerk to Roy Kendall, Park Square Chambers, Leeds.
- JACOB, JOHN McPEAK, Clerk to William L. White (Atkins, Chirnside & Co.), 11, South Mall, Cork.
- JOHNSTON, DOUGLAS, Clerk to G. R. Woollard & Co., Queen's Chambers, 5, John Dalton Street, Manchester, 2.
- KEEPAX, RAYMOND HENRY, Clerk to Clifford Geipel (W. G. A. Russell & Co.), 33, Newhall Street, Birmingham.
- KEEPING, STANLEY FRANK, B.Sc., H.M. Inspector of Taxes, Mullion, Sandy Lane, Romiley, near Stockport.
- KELLY, FRANCIS JAMES, Clerk to F. R. O'Connor, 10, Westmoreland Street, Dublin.

## INTERMEDIATE—(Continued)

- KEYS, FRED, Clerk to A. J. Ingram (A. J. Ingram & Co.), Central Buildings, West Sunnyside, Sunderland.
- KING, EDWARD SAMUEL, Borough Treasurer's Department, Town Hall, Leyton, London, E.10.
- KIRKPATRICK, REGINALD GORDON, Clerk to Gordon Hawley (Gordon Hawley & Co.), 37, Walbrook, London, E.C.4.
- LANE, JOHN WALLACE, Clerk to H. W. Payne (Middleton, Hawkins & Co.), 209, Abbey House, Victoria Street, London, S.W.1.
- LANE, RONALD WILLIAM, Clerk to E. E. Burrige (Brooke-Smith, Burrige & Co.), London and Lancashire Buildings, 44, Corn Street, Bristol.
- LEE, CLIFFORD JAMES ROBERT, Clerk to J. H. Henderson & Co., 15-16, New Burlington Street, London, W.1.
- LILWALL, STUART MERVYN, Clerk to H. Tudor Hughes (H. Tudor Hughes & Knight), District Bank Chambers, Conway Road, Colwyn Bay.
- LLOYD, GEORGE VINCENT FORBES, Clerk to W. A. Mumford (O. W. Davies, Mumford & Co.), Market Chambers, High Street, Kidderminster.
- LOCKTON, JOHN LESLIE, Clerk to Cyril H. Temple (Temple, Gothard & Co.), 7-8, Norfolk Street, Strand, London, W.C.2.
- LONGHURST, WILLIAM THOMAS CHRISTOPHER, Clerk to W. E. Warrington (Baker & Co.), Lillie House, London Road, Leicester.
- LOVELL, JACK, Clerk to John H. Chown (Chown & Robins), Lloyds Bank Chambers, Penzance.
- LUND, ERIC ARTHUR, City Treasurer's Office, 1, St. Leonards Place, York.
- McKECHNIE, HECTOR, Burgh Chamberlain, Municipal Offices, Barrhead.
- MANNIX, EDWARD JOHN, Clerk to Craig, Gardner & Co., Trinity Chambers, 39-41, Dame Street, Dublin.
- MARSH, ARTHUR DONALD, Clerk to Allan, Charlesworth & Co., 17, St. Helen's Place, Bishopsgate, London, E.C.3.
- MARSH, RICHARD EDGAR, Clerk to Keens, Shay, Keens & Co., 45, High Street, Aylesbury.
- MARSHALL, HARRY EDMUND, Clerk to Howard, Morris & Crocker, 102, Victoria Road North, Portsmouth.
- MATTHEWS, JOHN WALTER, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.
- MERCER, STANLEY CHARLES, Comptroller's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.
- MIDLANE, HARRY VERNON, County Accountant's Department, Isle of Wight County Council, 20, High Street, Newport, Isle of Wight.
- MILLER, ARTHUR, Clerk to Cecil D. Nixon, 33, Chancery Lane, London, W.C.2.
- MILLS, RAYMOND THOMAS, Clerk to Freda G. Crick (Swallow, Crick & Co.), 31, Priestgate, Peterborough.
- MOGRIDGE, WILLIAM JOHN ARNOLD, Clerk to C. B. Silley (Jones & Silley), 54, Victoria Street, Paignton.
- MORRIS, EVAN JAMES, Clerk to H. W. Baddeley, 158, Commercial Street, Newport, Mon.
- MORRIS, HAROLD TOM KENHAM, Clerk to Harold A. Morris, 16, Batavia Buildings, 12, Hackins Hey, Liverpool, 2.
- MORRIS, MICHAEL, Clerk to A. R. Wood (A. Wood & Co.), 12, Price Street, Burslem, Stoke-on-Trent.
- MOSS, NORMAN TRISTRAM, Clerk to J. R. Moger, Martins Bank Chambers, Cleckheaton, Yorks.
- MUKHERJEE, BIMAL CHARAN, M.A., Clerk to H. A. R. J. Wilson (Wilson, Bigg & Co.), 16, Coleman Street, London, E.C.2.
- NICHOLSON, WILLIAM, Clerk to Henry Yates, 32, Lune Street, Preston.
- NICHOLSON, WILLIAM RICHARD, Clerk to R. H. Edwards (Joseph Carr, McCracken & Co.), Bank Chambers, 26, Mosley Street, Newcastle-upon-Tyne.
- NORTH, HERBERT GORDON, Clerk to F. W. Doleman (F. W. Clarke & Co.), 24, Corridor Chambers, Market Place, Leicester.
- OLIVER, WILLIAM GEORGE CHARLES, Clerk to C. E. Riding, 3, Fleet Street, Torquay.
- PADGHAM, FRANK NORMAN, Accountant's Department, Council Offices, Herne Bay.
- PALMER, REGINALD, Clerk to Hubert Cashman (Holmes-White, Herbert & Co.), 475, Barking Road, Plaistow, London, E.13.
- PARKER, HORACE ALFRED, Clerk to Geo. W. Spencer (Geo. W. Spencer & Co.), 10, Bush Lane, Cannon Street, London, E.C.4.
- PERKINS, WILLIAM, Borough Treasurer's Office, Hallgate, Doncaster.
- PICKARD, FREDERICK LINDSAY SKEFFINGTON, Clerk to S. L. Crick (Crick & Bussell), 20, Bedford Row, London, W.C.1.
- PORTER, VICTOR HENRY, Clerk to Payne, Stone, Fraser & Co., Wood Street Buildings, 112 and 113, Fore Street, London, E.C.2.
- POTTS, WILLIAM, Accountant's Department, Northumberland County Council, County Hall, Newcastle-upon-Tyne, 1.
- POWELL, ERNEST JAMES, County Accountant's Department, Hertfordshire County Council, 23, Queen Victoria Street, London, E.C.4.
- POWELL, WILLIAM ARTHUR LEONARD, Clerk to A. W. L. Sleeman (Baddiel, Sleeman & Co.), 10, Northampton Place, Swansea.
- PRENDERGAST, GEORGE BERNARD, Clerk to T. A. Crinkley (Crinkley & Co.), 12, Bow Lane, London, E.C.4.
- PREST, WILLIAM, Clerk to G. W. Street (Street, Brown & Co.), Grosvenor Chambers, 33, Blackfriars Street, Manchester.
- PRYER, JACK, Finance Department, Walton & Weybridge Urban District Council, Council Offices, Walton-on-Thames.
- PYWELL, STANLEY, Clerk to Smith, Thompson & Co., Hall Place Chambers, New Road, Spalding, Lincs.
- RANDALL, ROBERT, Clerk to W. E. Rooke (Rooke, Holt & Co.), Empire House, St. Martin's-le-Grand, London, E.C.1.
- RANDLE, GEORGE JAMES, Clerk to Vickers & Winder, 109, Gloucester Place, London, W.1.
- RASTALL, LESLIE WILLIAM, Borough Treasurer's Department, 14, High Street, Bedford.
- RAVENSCROFT, JAMES MARTIN EDWARD, Clerk to Edward M. Fraser (Hutchison & Fraser), Palace House, 128, Shaftesbury Avenue, London, W.1.
- RICHARDSON, THOMAS, Clerk to George Cobley & Co., 33, Henrietta Street, Covent Garden, London, W.C.2.
- ROBSON, EDWARD, Assistant Account, Urban District Council of Cheadle and Gatley, Cheadle House, Mary Street, Cheadle, Cheshire.
- ROCK, NORMAN ERNEST, Clerk to J. S. Ridsdale (Ridsdale, Cozens & Co.), Midland Bank Chambers, Bridge Street, Walsall, Staffs.
- ROGERS, ARTHUR NORMAN, Clerk to H. W. Holland, 27, Cannon Street, London, E.C.4.
- ROGERS, GEORGE HORACE, Clerk to Hodgson, Harris & Co., 135, Fenchurch Street, London, E.C.3.
- ROSS, JAMES, Clerk to Joseph Osborne (Osborne, Cooke & Co.), 99-103, Scottish Provident Buildings, Belfast.

## INTERMEDIATE—(Continued)

- ROYCHOWDHURY, HARENDRA KUMAR, B.Sc., formerly Clerk to Battliboi & Purohit, National Insurance Building, Hornby Road, Fort, Bombay.
- SADLER, JOHN RAYMOND, Clerk to H. H. Bobart (Bobart, Baskett & Co.), Salisbury Chambers, 65-66, Basinghall Street, London, E.C.2.
- SCOTT, WILLIAM BARRIE, Clerk to Festus Moffat, 138, High Street, Falkirk.
- SEARLE, ARTHUR JOHN, Clerk to F. Alan Simpson, Orchard Chambers, Orchard Street, Bristol, 1.
- SEN, AMIYA KUMAR, B.Sc. (Econ.), B.A., Clerk to Cyril B. Umney, 3, Amen Corner, Ludgate Hill, London, E.C.4.
- SHEPHERD, KATHLEEN ELVINA, Clerk to Percy H. Walker (Percy H. Walker & Co.), 4, Park Place, Cardiff.
- SHIPPY, SYDNEY, Clerk to Peat, Marwick, Mitchell & Co., Royal Exchange, Middlesbrough.
- SIMPSON, KENNETH ROY, Clerk to Percival D. J. Clarkson (Clarke & Clarkson), 14, Winckley Square, Preston.
- SIRCAR, SACHINDRA NATH, B.A., formerly Clerk to Pix & Barnes, 24, Coleman Street, London, E.C.2.
- SLADE, WALTER ALFRED, Clerk to R. T. Warwick (W. T. Walton & Son), Marlow House, Lloyds Avenue, London, E.C.3.
- SMART, DENNIS ETHELBERG, Clerk to Appleby & Wood, Deansgate Arcade, Manchester, 3.
- SMITH, JOHN HERBERT, Clerk to J. J. Greeley (Hughes & Brayshaw), Pearl Assurance Chambers, Boroughgate, Otley.
- SQUIRES, FRANK ROWLAND, Clerk to F. J. Connor (A. P. Smith & Co.), Westminster Bank House, 3, York Street, Manchester.
- STANTON, REGINALD VICTOR, Clerk to Morris Lodge, Borough Treasurer, Municipal Offices, Weymouth.
- STATHER, ARTHUR LESLIE, Clerk to G. W. Bacon (G. W. Bacon & Co.), Norfolk House, Laurence Pountney Hill, Cannon Street, London, E.C.4.
- STIGGERS, GEORGE VICTOR, Accountant's Department, Broadstairs and St. Peter's Urban District Council, Pierremont Hall, Broadstairs.
- STODDARD, NORMAN SAMUEL, Clerk to M. P. Ferneyhough (M. P. Ferneyhough & Co.), 6, Commerce Street, Longton, Stoke-on-Trent.
- SWAYNE, LESLIE JOHN, B.A., Colonial Audit Department, Queen Anne's Chambers, Dean Farrar Street, London, S.W.1.
- TAGGART, FRANCIS XAVIER, Clerk to P. Taggart (P. Taggart & Co.), 30, Lord Street, Liverpool.
- THACKWRAY, WALLACE, Clerk to Oswald Coope, 14, Park Row, Leeds, 1.
- THOMPSON, ARTHUR, Clerk to Alfred Nixon, Son & Turner, 31, Victoria Buildings, St. Mary's Gate, Manchester, 1.
- THOMPSON, JOHN GRACE, Clerk to C. T. Aylen (Wood, Mair & Co.), 5, Frederick Street, Sunderland.
- TUNSTALL, ERIC, Clerk to R. Bennett, Borough Treasurer, Town Hall, Colwyn Bay.
- TURNBULL, GEORGE MATTISON BARTON, Clerk to H. J. Thompson, City Treasurer, Town Hall, Newcastle-upon-Tyne.
- WALLINGTON, CLIFFORD, Clerk to H. E. White (Henry White & Co.), 14, Clarges Street, London, W.1.
- WALTON, ERNEST, Clerk to Wood, Mair & Co., 5, Frederick Street, Sunderland, Co. Durham.
- WARNER, JACK, Clerk to Arnold R. Favell (Wright & Favell), Hooles Chambers, Bank Street, Sheffield, 1.
- WATTS, CECIL FREDERICK, Clerk to Cooper & Cooper, Plantation House, 34, Fenchurch Street, London, E.C.3.
- WESTAWAY, RONALD FRED WILLIAM, Clerk to B. M. Patton & Co., 84, Union Street, Torquay.
- WHITEHEAD, SAMUEL TRAVIS, Accountant's Department, Town Hall, Chadderton.
- WILKINSON, CLAUDE ATHELSTAN, Clerk to S. E. Crowe, (Hollings, Crowe, Storr & Co.), Midland Bank Chambers, Otley.
- WILLIAMS, THOMAS JONES, Clerk to J. Lloyd-Roberts, The Public Audit Offices, 2, Church Street, Carnarvon.
- WINDER, WILLIAM JAMES, Clerk to Moore & Smalley, 9, Chapel Street, Preston.
- WINTER, EDWARD RONALD, Clerk to D. Sirkin (Baker & Co.), Lillie House, London Road, Leicester.
- WOLKIND, LEONARD, Borough Treasurer's Department, Metropolitan Borough of Stepney, Municipal Offices, Raine Street, Old Gravel Lane, London, E.1.
- WOOD, JOHN FREDERICK, B.Com., H.M. Inspector of Taxes, 25, Clive Road, Birkdale, Southport.
- WRIGHT, RONALD GEORGE, Clerk to H. Moulder (Johnstone, Moulder & Co.), 13, Church Street, Kidderminster.
- WRIGHT, THOMAS JAMES, Clerk to A. R. T. Haynes (Jacob & Haynes), Wardrobe Chambers, 146A, Queen Victoria Street, London, E.C.4.

## SUMMARY:—

7 Candidates awarded Honours.

181 Candidates passed.

235 Candidates failed.

423 Total.

## Passed in Preliminary.

## Order of Merit.

HARTMAN, FREDERICK HECTOR DAVID, 4, River View, Mold, Flintshire. (First Place Certificate and Prize.)

## Alphabetical Order.

ACHESON, THOMAS WESLEY, Oldtown Street, Cookstown, Co. Tyrone.

AMES, WILLIAM, 120, Ordnance Road, Enfield Wash, Enfield, Middlesex.

ARTIS, CECIL WILLIAM ALBERT, 132, Bingham Road, Addiscombe, Croydon.

BEIOLEY, ROBERT FREDERICK, 93, Streetly Road, Erdington, Birmingham.

BENTLEY, ROY ECCLES, 16, Gresham Road, Cleveleys, near Blackpool.

BERRY, BENJAMIN LANGTON, Springfield Lodge, Great Bowdon, Market Harborough.

BIGGS, CYRIL ERIC, The Haven, Eden Grove, Paignton.

BLAGG, ARTHUR, 5, Chamberlain Street, Sutton, Hull.

BLYTH, RICHARD ARTHUR, 16, Malm Street, North Boulevard, Hull.

BOULDSTRIDGE, DENIS HERBERT, 37, Ommaney Road, New Cross, London, S.E.14.

BOWKER, JACK, 188, Manchester Road, Tyldesley, Manchester.

BRAUND, ERNEST JOHN, 31, Beechwood Gardens, Ilford.

BRUCE, CHARLES JOHN, 50, Cavendish Road, West Didsbury, Manchester.

CARR, LESLIE ARTHUR, 63, Morning Lane, Hackney, London, E.9.

CHAMBERS, GEOFFREY HERBERT, Leeuwport, Preston Avenue, Faversham, Kent.

CHILLINGWORTH, LEONARD WILLIAM EDWARD, 4, Florence Road, Edmonton, London, N.18.



## PRELIMINARY—(Continued)

- COANE, WILLIAM JOSEPH VINCENT, 2, Evesham Place, Stratford-on-Avon.
- COLLINGE, HARRY, Ivy Dene, Broadley Street, Rawten-stall, Lancs.
- COOK, ERNEST PETER, Ilstone, Glenlyn Avenue, St. Albans.
- COSTIN, ALBERT HENRY, 40, Arlington Road, Southgate, London, N.14.
- COWPERTHWAIT, THOMAS, 5, Heather Grove, Ribbles-ton, Preston.
- CURZON, FRANK, 41, Easterly Crescent, Leeds.
- DALE, CLIFFORD, 22, Green Lane, Patricroft, Eccles.
- DALLOW, HOWARD, 44, Hawes Lane, Rowley Regis, near Birmingham.
- DEAN, LEONARD FREDERICK, 4, Lucas Place, Leeds.
- DICKINSON, HAROLD EDWARD, West View, Barton Road, Barton-on-Irwell, Patricroft, Eccles.
- DON, HOWARD, 3, Balmoral Road, Fairfield, Liverpool.
- FAIRBURN, JOSEPH WILLIAM, 2, St. Domingo Grove, Everton, Liverpool.
- FINNIGAN, JACK VINCENT, 8, Byland Grove, Allerton, Bradford.
- FLETCHER, WILLIAM FREDERICK GEORGE, 24, Shawbury Road, East Dulwich, London, S.E.22.
- FOREMAN, TERENCE, 31, Oakwood Drive, Barnehurst, Bexleyheath, Kent.
- FOSTER, THOMAS ANDREW, 4, Gloucester Street, St. Helier, Jersey.
- GARDNER, PETER DENNIS, 5, Gladstone Avenue, Luton, Beds.
- GATRELL, FREDERICK JOHN, 16, Parkthorne Road, Clapham Park, London, S.W.12.
- GRIFFITHS, CLAUDE HENRY, 14, Park Road, Enfield Wash, Middlesex.
- GUNBY, NORMAN FREDERICK, 35, Baden Road, Leicester.
- HAWKESLEY, ERIC HAROLD, 7, Reedale Road, Mossley Hill, Liverpool.
- HICKS, CLIFFORD FRANCIS, 41, Altery Road, Newport, Mon.
- HUGHES, RICHARD ELVET, 136, Bellington Road, Chesham, Bucks.
- JACKMAN, STEPHEN LIONEL, 9, Woodlands Road, Willerby New Road, Hull.
- JEFFRIES, JOHN GILBERT, 13, Thurso Street, Tooting, London, S.W.17.
- JOHNSON, ARTHUR VICTOR, 45, Washington Street, Hull.
- JONES, DAVID MERVYN, Grandison Hotel, Neath.
- KEEN, HENRY THOMAS REYNOLDS, 61, Grove Park Road, Mottingham, London, S.E.9.
- KELTING, ARTHUR OSWALD, 3, Court Lane, Dulwich, London, S.E.21.
- KERSHAW, ARTHUR, 3, Sheila Terrace, Heckmondwike.
- LADD, GEORGE WILLIAM, 12, Wilson Road, East Ham, London, E.6.
- LAFLIN, MAURICE FREDERICK PERCY, Priory Lodge, Priory Park, Prittwell, Essex.
- LANE, FREDERICK WILLIAM, 64, Rathgar Avenue, Rathgar, Dublin.
- LEWIS, BEN, 96, Brightwell Avenue, Westcliff-on-Sea.
- LEWIS, KENNETH GORDON, 7, Hesley Terrace, Sheffield.
- LLEWELLYN, GARFIELD, Castle Farm, Tongwynlais, Cardiff.
- LLEWELLYN, WILLIAM THOMAS, Temple Combe, Henley-on-Thames.
- McHENRY, HERBERT, 6, Banstead Grove, Wavertree, Liverpool.
- McKINLEY, WILLIAM, Lower Broughshane, Ballymena, Co. Antrim.
- MAHONEY, TERENCE MICHAEL, 37, Station Road, Winchmore Hill, London, N.21.
- MANN, DONALD HUBERT, 13, Threshfield, Baildon, Yorks.
- MILLER, DONALD DIXON, 20, Mather Road, Eccles, Manchester.
- MORRIS, CYRIL KEITH, The Lilacs, 19, Poplar Avenue, Edgbaston, Birmingham.
- MUGGRIDGE, FRANK, 2, Avondale Road, Peckham, London, S.E.15.
- NELSON, EDWARD, Glenmore, 106, Acre Road, Middleton, Leeds.
- NURSE, GEOFFREY SWIFT, 25, Pickering Road, Hull.
- O'CARROLL, THOMAS JOSEPH, 12, Spencer Villas, Glengarry, Dun Looghaire, Co. Dublin.
- OCKELFORD, HARRY IVAN, Burntheath, Wilford, Notts.
- PHILLIPS, FREDERICK JOHN, 156, Cowbridge Road, Cardiff.
- PINKNEY, DOUGLAS, 15, Holmsley Street, Burnley.
- POWELL, DONALD STANLEY, 66, Arnos Grove, Southgate, London, N.14.
- PRICE, GRAHAM MAURICE, Tregonwell, Paganel Drive, Dudley.
- PROVINS, LAWRENCE ERNEST TERRY, 161, Hook Lane, Welling, Kent.
- RAMSBOTTOM, WALTER JAMES, 10, Court Farm Road, Mottingham, S.E.9.
- READER, STANLEY, 133, Banister House, Homerton, London, E.9.
- ROBERTS, MAURICE IVOR, Straits Field House, Vassall Road, Fishponds, Bristol.
- ROGERS, PETER, 11, Brunswick Road, Hove.
- SHALDERS, ROBERT GEORGE PATTERSON, 43, Woodfield Road, Leigh-on-Sea.
- SHARP, LESLIE, 39, Shirley Road, Gomersal, Leeds.
- SMITH, ALBERT WALTER GEORGE, 8, Burn Way, Hornchurch, Essex.
- SOUTHERN, TREVOR, 2, Ilkley Street, Moston, Manchester.
- STEWART, STANLEY CHARLES, 42, Delaford Road, North Camberwell, London, S.E.16.
- SYKES, GERALD MONTAGUE, Linfitts House, Delph, near Oldham.
- THOMAS, ELVET BENNETT, 21, The Promenade, Mount Pleasant, Swansea.
- TINLING, DOUGLAS IAN, 24, Ashbrook Terrace, East Boldon, Co. Durham.
- TYLER, MONTAGUE PATRICK, 30, Binfield Road, London, S.W.4.
- WALTER, ERIC GORDON, San Remo, 11, Park Avenue, St. Albans, Herts.
- WALTERS, WILLIAM CHARLES, 48, Blackthorne Road, Walsall, Staffs.
- WATKINS, JAMES ERNEST, 71, Teddington Park, Teddington, Middlesex.
- WEIR, SIDNEY, 71, Park Lane, Southend-on-Sea.
- WEST, ERIC EDMUND, 127, Peel Road, South Woodford, London, E.18.
- WHYTE, WILLIAM SCOTT, L1 Cottage, H.M. Prison, Peterhead.
- WICKMAN, ERNEST CHARLES, 62, Walmer Street, Manchester.
- WILLIAMS, ALBERT JAMES, 141, Loughborough Road, West Bridgford, Nottingham.

## PRELIMINARY—(Continued)

WILLIAMS, JOHN TREVOR, 68, Upperton Road, Leicester.  
WILLIS, JOHN WATKIN, Ellerigg, Austin Grove, Manchester.

WILSON, WILLIAM ROY, 80, Park Avenue, Palmers Green, London, N.13.

WRIGHT, BRYAN DAVID, 161, Sydenham Hill, London, S.E.23.

## SUMMARY:—

- 1 Candidate awarded Honours.
- 94 Candidates passed.
- 79 Candidates failed.

174 Total.

## Society of Incorporated Accountants and Auditors.

### MEMBERSHIP.

The following promotions in and additions to the Membership of the Society have been completed since our last issue:—

#### ASSOCIATES TO FELLOWS.

BELL, MERVYN (J. A. Kinnear & Co), Provincial Bank Chambers, 3/4, College Street, Dublin, Practising Accountant.

EMMANS, ROBERT JESSE FOLD (Fold Emmans & Co.), 10, Munster Road, Teddington, Practising Accountant.

HOWARTH, HAROLD, Queen's Square, Lancaster, Practising Accountant.

TEMPLE, CHARLES WILLIAM STANLEY, 5 and 6, Bucklersbury, London, E.C.4, Practising Accountant.

McMILLAN, HERBERT (Oughton, Boyd, McMillan & Co.), 14/18, Coates Buildings, Castle Street, Belfast, Practising Accountant.

#### ASSOCIATES.

ANDERSON, LESLIE FRANCIS, with Deloitte, Plender Griffiths & Co., 5, London Wall Buildings, London, E.C.2.

BITHREY, STANLEY ARTHUR, with A. S. Leith, Freake & Cade, 75, Maitland Street, Bloemfontein.

CAVE, STANLEY REGINALD, with Pannell & Co., 13 Basinghall Street, London, E.C.2.

GOZNEY, THOMAS LEONARD, Treasurer's Department, Urban District Council, Weston-super-Mare.

HARTLEY, HAROLD, with J. W. Close, Hirst & Co., North British and Mercantile Buildings, East Parade, Leeds.

JACKSON, JAMES (Fredk. & C. S. Holliday), Prudential Buildings, Park Row, Leeds, Practising Accountant.

KEEN, LESLIE THOMAS, with Imperial Airways, Ltd., Air Port of London, Croydon (formerly articled clerk).

KILBY, RAYMOND CHARLES, with Ellinger, Hounsell & Co., Exchange Buildings, New Street, Birmingham, 2.

READ, STANLEY HERBERT, with Pearce & Ryan, 19-23, National Bank Buildings, Simmonds Street, Johannesburg.

SCALES, STUART SHANKLAND, County Treasurer's Department, Wilts County Council, Trowbridge.

TAYLOR, ERIC FRANK, with Stanley Blythen & Co., 12, Low Pavement, Nottingham.

TOMS, ROY WINFRED BLYTH, with Gilson, Hyslop & Co., 404/8, Reserve Bank Chambers, Wall Street, Cape Town.

## Institute of Municipal Treasurers and Accountants.

### Annual Meeting and Conference.

The 52nd Annual General Meeting and Conference of the Institute of Municipal Treasurers and Accountants was held at Bournemouth on Wednesday, Thursday and Friday, June 16th, 17th and 18th, and, like many of its predecessors, was an unqualified success. The Conference was preceded by a reception given by the President and members of the Executive Council in the Pavilion on the Tuesday evening prior to the official opening of the business proceedings on the following day. Guests were received by the President, Mr. Sydney Larkin, F.S.A.A., and Mrs. Larkin. The Conference itself was formally opened on Wednesday morning, when the Mayor of Bournemouth, Councillor T. V. Rebbeck, J.P., extended an official welcome.

The Council's annual report was submitted, and briefly recorded the year's activities. The membership of the Institute is 2,403, made up as follows:—

Honorary Members	..	..	348
Fellows	..	..	298
Associates	..	..	724
Students	..	..	1,033
			<hr/> 2,403

The Council placed on record their pleasure that the University of London had conferred upon Mr. A. H. Marshall, B.Sc., A.S.A.A. (Hons.), Deputy City Treasurer of Coventry, the Degree of Ph.D.

A pleasing function was the presentation of prizes to students who had secured honours in the various examinations. The receipt of certificates and prizes at such a gathering from the hands of the President is a red letter day in the lives of students, and an incentive to further achievements.

During the year the Executive Council have been closely concerned with many matters of importance, with particular reference to the raising of loans, costing, electricity finance, Government grants, income tax and research work.

#### ELECTION OF OFFICERS AND EXECUTIVE COUNCIL.

The President announced that the following had been elected as officers and members of the Council for the ensuing year:—

President, Mr. Fredk. Steadman, Chief Financial Officer, Surrey County Council; Vice-President, Mr. John D. Imrie, M.A., F.S.A.A., City Chamberlain, Edinburgh; Hon. Treasurer, Mr. W. Allison Davies, C.B.E., F.S.A.A., Borough Treasurer, Preston. Members of the Council: Mr. John E. Bray, City Treasurer, Manchester; Mr. R. W. E. Bunn, F.S.A.A., Borough Treasurer, Brighton; Mr. A. B. Griffiths, F.S.A.A., City Treasurer, Sheffield; Mr. J. R. Johnson, F.S.A.A., City Treasurer, Birmingham; Mr. Samuel Lord, F.S.A.A., Borough Treasurer, Acton; Mr. Edmund Lund, M.B.E., F.S.A.A., City Treasurer, Carlisle; Mr. G. E. Martin, F.S.A.A., Borough Treasurer, Poplar; Mr. Hugh R. Ralph, F.S.A.A., Treasurer, Harrow Urban District Council; Mr. R. A. Wetherall, F.S.A.A., Borough Treasurer, Swansea.

## PRESIDENTIAL ADDRESS.

The President in his address directed attention to the work of the Research Committee during the past year in connection with the preparation of a standard form of abstract of accounts. This matter has been under consideration for many years, but has now reached fruition, a standard form of abstract having been issued to the members.

The President also directed attention to a most important event of the past year, namely, the publication by Mr. A. H. Marshall, Ph.D., A.S.A.A., of his important work, "Local Authorities: Internal Financial Control." Those interested in the study of municipal financial administration were strongly recommended to procure a copy of what is likely to be a standard publication for many years to come.

In dealing with the subject of financial control, the President said that in lieu of the stereotyped certificate of audit with which all were familiar, he would much rather be told that every item of expenditure was a necessary one; that no possible income had been thrown away; and that, in short, the Corporation had been run with the greatest conceivable efficiency and that the objects of expenditure represented real value for money. In dealing with Local Government efficiency, he said: "It is a sad reflection that almost the only cry which one hears as a cure for financial distress is 'Give us more Government assistance.' That any fool can spend money is true. To spend other people's money is fatally simple." The President went on to say that he did not complain of this tendency to try to put the burden on other shoulders, first because it was such a universal failing, and second because he knew that in nine cases out of ten it was not successful. Regarding municipal economy, it was pointed out that elected representatives should not run away with the idea that economy was in some way bound up with policy, and that many local representatives regard economy as a possible enemy. In the view of the speaker, the municipal services of the country could be preserved only if in the first place they were guarded against abuse.

Regarding the administration of various municipal departments, the President expressed the view that nearly every local authority in this country was wrongly organised, the organisation being vertical and departmental instead of horizontal and functional.

## ORDERED EXPENDITURE.

Reference was made to the difficulties with regard to periodical reviews of expenditure, particularly if they covered more than a very short period, the principal reason for the uselessness of capital expenditure programmes being that officials and councillors often lost their sense of proportion, and of perspective, and rushed in with all sorts of fantastic schemes so that the programmes became unwieldy and ineffective, and a subsidiary reason was the lack of patience and the inability to grasp the fact that eternity was before us. There was an interesting discussion on the Presidential Address, Mr. Larkin being warmly thanked for his review of current events.

## ANNUAL DINNER.

The annual dinner of the Institute was held in the Pavilion and was presided over by the President. Some 500 guests and delegates were present, including:—Major-General Lord Mottistone, P.C., Lord-Lieutenant of Hampshire; the Mayor of Bournemouth (Councillor T. V. Rebbeck); Mr. R. H. Bernays, Parliamentary Secretary to the Ministry of Health; Mr. S. H. G. Hughes, C.B.E., Accountant-General, Ministry of Health; Mr. J. Stewart Seggie, F.S.A.A., Chief Accountant, Department of

Health for Scotland; Mr. F. J. Ogden, M.B.E., Secretary of the Central Valuation Committee; Mr. W. W. Armitage, President of the National Association of Local Government Officers; Mr. Walter Holman, President of the Society of Incorporated Accountants and Auditors; Mr. W. J. Bache, President of the Incorporated Municipal Electrical Association; Mr. J. Beckett, General Secretary of the Municipal Tramways and Transport Association; The Mayors of Scarborough, Stourbridge, Barking, Peterborough, Wakefield, Halifax, Ilkeston, West Ham, Warwick, Stretford, Carlisle and Acton; Alderman Sir Percival Bower, M.B.E.; Councillor Sir C. C. Bowring, K.C.M.G.; Mr. D. W. Coates, C.B.E., Chief Accountant, Central Electricity Board; Mr. David Edwards, President of the Institution of Municipal and County Engineers; Mr. H. W. S. Francis, O.B.E., Director of the Local Government Division, Ministry of Health; Mr. M. T. Hughes, President of the Association of Local Government Financial Officers; Mr. William Jackson, President of the Corporation of Accountants; Alderman Sir George Martin, and Lady Martin, and Mr. C. Kent Wright, Chairman of the Institute of Public Administration.

The toast "The Guests" was proposed by Mr. Frederick Steadman, the President-elect of the Institute, and was responded to by Lord Mottistone. Lord Mottistone stated that he was appearing that night in a dual capacity, first as Lord-Lieutenant of Hampshire, the King's representative, and secondly as Chairman of the National Savings Movement, with which many present were closely identified. He went on to say that one heard a good deal of talk about dividing countries into capitalist and socialist camps, and that there was a lot of loose talk about democracy and autocracy, but that there were certain definite facts which students of history could not overlook. He would define democracy as a Society in which there were freely elected persons looking after affairs. The disintegration of democracies in other countries had resulted because those looking after affairs could not be trusted, and of the stable democracies of the world there was scarcely one left outside the British Empire. In conclusion, Lord Mottistone desired to thank the Municipal Treasurers of the country for the great service they were rendering for its welfare.

The Mayor of Bournemouth also responded to the toast, and paid tribute to the town of which he had the honour to be chief citizen.

The toast "The Institute of Municipal Treasurers and Accountants, Incorporated," was proposed by Mr. R. H. Bernays, Parliamentary Secretary to the Ministry of Health. He paid tribute to the work which the Institute had done during the 52 years of its existence, and referred to the fact that the importance of the duties of Municipal Treasurers would be realised when it was appreciated that the expenditure of local authorities had in that time increased from £50,000,000 to over £500,000,000 per annum. The growing attention paid to finance by the Institute and the local authorities, and the strengthening of the oversight of finance committees, was doing much to ensure that the financial resources of the municipalities were being used to the best advantage.

## THE PAPERS READ.

The Conference on Thursday was devoted to two papers, one by Mr. W. E. Foden, A.S.A.A., formerly Financial Controller to the Electricity Department, Manchester, the subject being "Some Aspects of Municipal Electricity Supply Finance." The second paper was by Mr. William C. Coxall, F.S.A.A., Borough Treasurer, Chesterfield, the title of the paper being "The Control of Expenditure."



Mr. Foden's paper aroused a good deal of interest, because of the present uncertainty regarding the future of the electricity supply industry. He outlined the revolutionary change associated with the generation of electricity, particularly in regard to its financial administration, consequent on the passing of the Electricity Supply Act, 1926, and reviewed, so far as is at present possible, the impending changes in distribution under promised legislation. He mentioned that the number of publicly owned and privately owned electricity undertakings had increased during the past ten years from 593 to 627, and of the latter figure 380 were publicly controlled and 247 owned by companies or persons. Mr. Foden also mentioned that the capital outlay for publicly-owned undertakings during the above period had increased from £139·206 millions to £287·618 millions, without taking into account the expenditure of the Central Electricity Board. Reference was also made to the debt position, and in this respect Mr. Foden asserted that the general debt position of authorities was beyond reproach owing to the adoption of the methods advocated by the Electricity Commissioners, combined with the policy of applying surplus revenue to meet capital expenditure. The speaker noted with pleasure the fall in rate aid from £742,031 in 1925-26 to £566,208 in 1935-36, as he held the view that the best services municipal electricity supply undertakers could render were to sell as near to cost as was reasonably safe. In any case, however, when the proposals contained in the McGowan report were implemented, rate aid would become very difficult if not impracticable. On the subject of control of generation, Mr. Foden stated that under the Electricity (Supply) Act, 1926, the main objective was the selection, control and interconnection, by means of a system of main transmission lines, of those stations—relatively few in number—best fitted to supply the bulk of the energy required by the nation, with the maximum of economy. Savings from reduction in standby or reserve plant and in fuel and other economies in the stations should, therefore, more than compensate for the cost of operating the Central Electricity Board's transmission system known as "the grid." Purely as a personal opinion, he thought municipal ownership of electricity supply was not a permanent solution, and that either public regional boards with large areas, or one centralised supply system on national lines like the Post Office, would be the inevitable evolution.

The paper read by Mr. Coxall on "The Control of Expenditure" dealt with a subject which is always topical at gatherings of the Institute. As to the meaning of financial control, the speaker referred to the description given to it by Sir Henry Bunbury as "the power of saying 'yes' or 'no' to something that somebody else wants to do." As financial officers of local authorities, their concern to-day was the ascertainment of whether good value was being given for the money taken from the ratepayer, and whether it was possible in any way to give better value. It was fundamental that in a democratic country such as ours, the people who paid should call the tune. As regards public opinion, the Central Government were always aware that the investing public could almost make or break them, and the judgment of government was surely part of that mysterious influence "public opinion." Mr. Coxall dealt with the necessity of the balancing of budgets, and he contended that the budgetary method of control was not sufficiently effective or convenient. Regarding the financial control of municipal trading undertakings, he thought that this could be more effectively dealt with by the ascertainment of periodic comparative unit costs. Mr. Coxall dealt with the views expressed by Mr. J. M. Keynes in recent articles which

advocated that urgent claims on capital expenditure should be delayed during times when industry was booming, and that rates should not be reduced, but rather increased, in order to accumulate reserves for spending when industry showed the first sign of decline. In regard to this suggestion, Mr. Coxall was not aware of any statutory authority which permitted local authorities to do this, and he saw insurmountable practical difficulties in carrying such a recommendation into effect.

On Thursday afternoon the ladies were taken for a motor coach drive through the New Forest, and later the delegates and their ladies were given a civic reception by the Mayor and Mayoress of Bournemouth, the evening being spent in music and dancing.

#### FORETHOUGHT IN PUBLIC AFFAIRS.

On Friday morning the session was devoted to an address by Sir William H. Beveridge, K.C.B., Director of the London School of Economics, the subject being "The Place of Forethought in Public Affairs." He stated that there were other eventualities, definitely more probable than war, for which no similar preparation was made, and named two as illustrations of the need for forethought in public affairs. The first was the slump which they might expect after the present boom, and the second was the coming decline of our population. The reasons for expecting a slump after the boom were partly general and partly special. The general reason was the experience of nearly 100 years of cyclical fluctuation of trade, industry and employment. The special reason was the stimulant given to industrial activity by the re-armament programme. When this programme got past its intensive phase, unemployment, through displacement of particular classes of men, was likely to be added to cyclical depression. On the side of unemployment insurance, provision was being made for this by building a reserve—now over £45,000,000—in the Unemployment Fund. But this, besides being accidental, was far from adequate. With regard to the coming decline of our population, Sir William said that some decline now was certain, and if present tendencies continued, the ultimate decline would be drastic. If birth-rates and death-rates continued as they were, the population of England and Wales 100 years from now would be 20,000,000, as it was in 1861. There were some reasons for expecting a further fall of the birth-rate. At some time or other, if they did not want the population of Britain to disappear completely, the proportion of families with three children and more must be increased. It was difficult to avoid the suggestion that the size of families must be affected by the kind of homes in which children had to be born and reared. The houses that we were building to-day would last, perhaps, two or three generations, but in building them were we thinking at all of their bearing on population? The houses we built to-day might be a shell too small for our survival. The condition of securing forethought in public affairs was to have adequate machinery, an organ of forethought, in central and local government alike. For the central government, this meant an economic general staff—a group of civil servants with no daily administrative tasks, but with the duty of surveying comprehensively all economic problems that might face the Government.

The proceedings of the Conference terminated with the election of the new President, Mr. Frederick Steadman.

Mr. Henry Holton Sturges, F.C.A., A.S.A.A., has been returned unopposed as a representative of the Ward of Bassishaw on the Court of Common Council, London.

## Reviews.

**Goodwill as a Business Asset.** By H. E. Seed, A.C.A., A.S.A.A. London: Gee & Co. (Publishers), Ltd., 6, Kirby Street, E.C.1. (472 pp. Price 12s. 6d. net.)

There are many different ways in which goodwill may be valued and much depends upon the method by which the subject is approached. In Chapters VI and VII of this book the methods most commonly used are fully discussed and examples given of the working out of the figures. Other portions of the book deal with trade marks, patents and designs and copyrights, whilst a separate chapter is devoted to compensation for goodwill under the Landlord and Tenant Act, 1927. The book is well produced and contains much information of a useful character.

**The Law of Trust Accounts.** 2nd Edition. By Walter Strachan, Barrister-at-Law. London: Sweet and Maxwell, Ltd., 2/3, Chancery Lane, W.C.2. (236 pp. Price 21s. net.)

This is a comprehensive work covering the whole field of the law relating to trust accounts, with particular reference to the distinction between capital and income. The well known cases of *Bouch v. Sproule* and *Allhusen v. Whittell* are discussed at length, and numerous other cases bearing upon the subject are also referred to. The statement of the law is set forth briefly in short paragraphs in large type, supplemented by explanations in smaller type with numerous references to decided cases. A long table of these cases extending to over 50 pages may prove useful in tracing the enunciation of principles bearing directly upon any specific point. Part I of the book deals with the rules as to receipts and outgoing between life owner and remainderman, Parts II and III with receipts and payments, Parts IV and V with adjustments between life owner and other parties on the one hand and remainderman on the other, and Part VI with miscellaneous matters, including the mutual rights of beneficiaries and fiduciaries.

**Guide for the Company Secretary.** 5th Edition. By W. Cecil Wood, A.C.I.S. London: Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway, W.C.2. (504 pp. Price 6s. net.)

This publication gives general instructions bearing upon the work of the company secretary, dealing particularly with issues of capital, share registers, transfers, forfeiture of shares, procedure at directors' meetings and general meetings. The book is supplemented by a large number of forms and rulings, and the appendix contains a copy of the Companies Act, 1929, and the Companies Clauses Act, 1845.

**The Incorporated Students' Telephone.** By the Directors and Tutors of H. Foulks Lynch & Co. London: H. F. L. (Publishers), Ltd., 19, Fenchurch Street, E.C.3. 84 pp. (Price 2s. 6d., by post 2s. 8d.)

The 55th issue of this publication contains the questions set at the Intermediate and Final examinations of the Society of Incorporated Accountants and Auditors held in November last, together with model answers. A special index at the beginning affords ready reference to any particular matter. Candidates who sat for the examinations will be interested to compare their own answers with those appearing in this publication, whilst candidates who failed will ascertain where they went astray and obtain guidance for further efforts.

**Factory Administration in Practice.** 4th Edition. By W. J. Hiscox and John R. Price, A.C.A. London: Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway, W.C.2. (296 pp. Price 8s. 6d. net.)

This book has been written from the factory standpoint, one of the objects of the author being to overcome

the difficulties and troubles which are encountered in the shops, and the views expressed are the result of many years of practical experience. A feature of the book is what the author terms the "Progress System," which involves the organisation of a progress department, whose business it is to assist in planning and producing statistics of the work going on in the factory. Amongst the matters discussed are rate fixing, internal transport, purchasing routine, labour administration and materials organisation. The text of the book is interspersed with numerous forms and diagrams which greatly assist the reader.

**Standard Form of Abstract of Accounts of Local Authorities.** London: The Institute of Municipal Treasurers and Accountants, 1, Buckingham Street, S.W.1. (128 pp.)

This is an important publication prepared by the Research Committee of the Council of the Institute of Municipal Treasurers and Accountants. The accounts dealt with are those relating to County Councils and County Borough Councils. In approaching the matter the Research Committee have sought the co-operation of the general body of members of the Institute, and it is stated that the collated specimen accounts have disclosed a remarkable lack of uniformity in vital principles. The object of the Committee has been to produce a simple and concise form giving the information required without needless complications. Their chief difficulty appears to have been in relation to the capital accounts, regarding which many diverse views were held. The Committee say they have no hesitation in recommending that care should be taken to exclude from the capital account the value of all works or former assets which are exhausted or have been disposed of. We imagine that in many cases a good deal of difficulty would be experienced in deciding the extent of the exhaustion. Another important recommendation is that all capital outlay which does not come under the general heading of "property and permanent works" should be written down by the annual amount of provision for redemption of debt incurred in respect thereof, and if no debt has been incurred the outlay not represented by assets should not be included in the capital account. It is probably easier to make this last recommendation than to carry it out, as it may sometimes be far from easy to say to what extent the capital outlay is represented by assets. As regards setting the provision for redemption of debt against the value of specific assets, sinking funds are frequently based upon the estimated life of the assets for which the loans are contracted, and theoretically the deduction of the sinking fund should approximately extinguish the asset, but in practice this would not be the case if in the meantime the asset had been maintained in a proper state of repair, and it does not follow that the balance remaining would bear any real relation to the residuary value of the asset. The aggregate balance sheet is drawn in simple form, but there is no distinction between the balances on capital account and those on revenue account. It would be an advantage if this distinction were introduced as the financial position would be more clearly disclosed.

## Incorporated Accountants' Golfing Society.

A match between the Incorporated Accountants' Golfing Society and the Association of Scottish Chartered Accountants in London was played at West Herts Golf Club on June 23rd, and resulted in a win for the Incorporated Accountants' Golfing Society by 7½ matches to 4½.

A match between the Incorporated Accountants' Golfing Society and the London Solicitors' Golfing Society, played at Walton Heath on May 27th, resulted in a win for the London Solicitors' Golfing Society by 7 matches to 5.

The Summer meeting has been arranged to take place at Woodhall Spa on July 10th and 11th.



## Society of Incorporated Accountants and Auditors.

### South African (Western) Branch.

#### ANNUAL MEETING.

The annual general meeting of the South African (Western) Branch of the Society of Incorporated Accountants was held at Cape Town on May 26th. Mr. C. D. Gibson (Chairman of the Branch) presided.

The Chairman, in moving the adoption of the accounts for the year 1936, stated that eight candidates had entered into articles of clerkship, seven out of nineteen had passed the Intermediate examination, and seven out of nineteen had passed the Final. Eleven new members were admitted during the year. Five members removed to the areas of other Branches, and one resigned.

On the question of the proposed registration of accountants in South Africa, the latest feeling was that a large voluntary organisation might prove more successful than statutory registration.

The accounts showed a deficit for the year of £18 5s. 9d. which was more than accounted for by a non-recurring donation of fifty guineas to the Sir James Martin Memorial Fund. The accumulated fund of the Branch at the end of the year amounted to £593.

Mr. A. C. Sargeant formally seconded the motion, which was adopted without further discussion.

On the proposal of Mr. A. N. Foot, seconded by Mr. J. Hanson, the meeting unanimously re-elected Mr. H. J. Notcutt as Auditor.

The Chairman declared that Mr. W. B. Gurney, Mr. A. N. Foot and Mr. K. C. M. Hands were duly re-elected members of the Committee, as no other nominations had been received in accordance with the bye-laws.

A hearty vote of thanks was accorded to the Chairman for his able conduct of the meeting and for all the services he had rendered to the Society and to the Branch. The Chairman briefly replied.

## District Societies of Incorporated Accountants.

### LONDON.

#### ANNUAL MEETING.

The eighth annual meeting of the London and District Society took place on June 30th.

Mr. Edward Baldry, the chairman, in moving the adoption of the report and accounts, said that although all the details of the activities of the Society were given in the Report, this inadequately expressed the interest and pleasure which were afforded to the members who participated in the functions and meetings. It was satisfactory to the Committee that during the past year all the items of the programme received an increasing measure of support from the members.

It afforded him particular pleasure that at the opening of the session the District Society had the honour of entertaining Sir Stephen Killik and expressing to him their appreciation of all he had done for London members, particularly during the period when he was Lord Mayor.

The Committee felt it would be appropriate that the Society should make some acknowledgment to the distinguished gentlemen who from time to time had given

lectures to the Society, and at a dinner held in December a number of previous visitors to the Society and other guests were entertained at Incorporated Accountants' Hall.

The Committee was anxious that the form of the Society's activities should not become too stereotyped and if any of the members had new ideas as to how the District Society could be of increasing help and value to the members in London and the Home Counties he would be happy to receive their suggestions.

He recently had the pleasure of representing the London and District Society at the Incorporated Accountants' Conference in Belfast, and with a number of other members from London was happy to give support to the President of the Society, Mr. Walter Holman, who so ably presided at the Conference. The members in Belfast gave them a most cordial welcome.

It would be noticed with regret that they were losing the services of Mr. Paynter on the Committee, and he wished to take that opportunity of thanking him for the valuable services he had rendered in the past.

The accounts called for very little comment, but they would see that for the year ended March 31st, 1937, there was a slight excess of expenditure over income, which had been met out of the Accumulated Fund.

In conclusion, Mr. Baldry said he wished to thank the Vice-Chairman (Mr. Arthur Collins), the Hon. Treasurer (Mr. Scott-Moore) and all the members of the Committee for their active interest in the affairs of the London and District Society. The year had been a successful one and personally he had enjoyed his period of office.

The report and accounts were unanimously adopted.

#### ELECTION OF COMMITTEE AND OFFICERS.

The following retiring members of the Committee were re-elected: Mr. Robert Ashworth, Mr. W. Norman Bubb, Mr. H. E. Colesworthy, Mr. W. A. Pearman, Mr. A. J. H. Shay. Mr. C. V. Best was elected in place of Mr. William Paynter, who had resigned. Mr. C. B. Hewitt was re-elected Honorary Auditor and thanked for his past services.

At a meeting of the Committee held immediately after the annual meeting, Mr. Arthur Collins was unanimously elected Chairman in succession to Mr. Edward Baldry, and Mr. E. Cassleton Elliott was elected Vice-Chairman. Mr. J. Scott-Moore was re-elected Honorary Treasurer, and Mr. A. A. Garrett, Secretary.

#### Report.

The Committee have pleasure in presenting their seventh annual report, covering the year ended March 31st, 1937. The membership on this date was 2,437 as compared with 2,302 on March 31st, 1936.

A luncheon was given at the Savoy Hotel in honour of Sir Stephen Killik, G.B.E., K.C.V.O., F.S.A.A. The Chairman, Mr. Edward Baldry, F.S.A.A., presided, and a distinguished company included Lord Snell, C.B.E. (Chairman of the London County Council), The Earl of Limerick, The President and the Vice-President of the Society of Incorporated Accountants, Sir Josiah Stamp, G.C.B., G.B.E., Sir Geoffrey Clarke (President of the Association of British Chambers of Commerce), Sir George Broadbridge, Sir William Prescott (Chairman of the Metropolitan Water Board), Mr. R. P. Wilkinson (Deputy Chairman of the Stock Exchange) and Mr. Edward Wilshaw.

The other meetings and functions during the session were held at Incorporated Accountants' Hall. A dinner on December 8th provided the opportunity of entertaining a number of the friends of the Society who, by delivering



lectures and in other ways, have shown their interest in the Society.

New lines of thought were initiated by Mr. E. Furnival Jones, F.C.A., F.S.A.A., in a paper on "Some Accountancy Problems of Yesterday and To-day." The Committee have expressed their thanks to Mr. Furnival Jones for his stimulating address. Members of the Incorporated Accountants' Students' Society of London were invited to attend, and a considerable number were present.

A reception and dance was held on November 6th, and a similar function on March 19th.

The Committee welcome the greater support and co-operation of members, and hope that increasing use will be made of the Society to bring together Incorporated Accountants in the London area.

The following members of the Committee will retire in accordance with the rules, but are eligible for re-election:—Mr. W. A. Pearman, Mr. A. J. H. Shay, Mr. Robert Ashworth, Mr. W. Norman Bubb, Mr. H. E. Colesworthy.

Mr. William Paynter also retires in accordance with the rules but does not offer himself for re-election.

### BIRMINGHAM.

#### ANNUAL MEETING.

The forty-sixth annual general meeting of the Incorporated Accountants' Birmingham and District Society was held on June 2nd. The President, Mr. Arthur Watson, in moving the adoption of the annual report and accounts, spoke of the value of the personal contact with inspectors of taxes which was secured by the annual golf match. The prestige of the Society was upheld at the annual dinner, when a large number of representative guests were entertained.

He was glad that the National Defence Contribution, in its original form, had been abandoned. He regarded it as a revival of the Excess Profits Duty, which, in his experience, had caused unprecedented extravagance.

He wished to thank the members of the Committee for their help and co-operation, and to express his gratitude for the splendid assistance he had received from the Hon. Secretary, Mr. J. J. Potter. He hoped that many Birmingham members would attend the Conference in Belfast.

#### Annual Report.

The Committee has pleasure in presenting herewith the forty-sixth annual report of the Society. The functions held during the past year have all proved very successful, and have been much appreciated by those members who attended them, and it is felt that they have fostered the interests of the Parent Society, and also of our members generally. They have also afforded greater opportunity for personal contact between our members, which must undoubtedly prove beneficial.

In 1936 we arranged our first dance at the Midland Hotel. This proved successful, and on January 21st, 1937, we held what is now to be an annual dance.

On February 26th, 1937, members of the Leicester District Society visited Birmingham as the guests of the President and Committee of this District Society.

The Consultative Committee, formed experimentally two years ago, has proved most helpful to members, and it is proposed to continue it. Members are invited to avail themselves of the informal Consultative Panels for consultation on difficult points of practice.

The Committee takes this opportunity of placing on record an expression of thanks to the various lecturers for their services; also to the Birmingham and District Society of Chartered Accountants, the Chartered Institute of Secretaries, the Institute of Bankers, the Law Society,

and the Institute of Cost and Works Accountants, for their invitations to lectures and for their co-operation generally. During the year the Committee has been successful in obtaining the services of a number of distinguished lecturers, and they would like to see increased attendances at the meetings.

The following lectures and functions were held:—

Golf Match with Inspectors of Taxes (Birmingham).

"The Alteration in the Law brought about by the 1936 Act," by Mr. G. B. Burr, F.C.I.S., Assistant Editor of *Taxation*.

"Company Law and Company Liquidations," by Mr. E. Westby Nunn, B.A., LL.B. The Birmingham Chartered Accountants' Students' Society were invited to this lecture.

"Matters connected with Public Issues of Capital," by Mr. W. J. Back, A.S.A.A. The Chartered Institute of Secretaries were invited to this lecture.

Dinner at Queen's Hotel.

"The Criticism of Published Accounts from the Financial Point of View," by Mr. S. W. Rowland, LL.B., F.C.A. By the invitation of the Institute of Bankers.

"The Bank of England and its Work," by Mr. W. J. Simpson, F.R.Econs., Cert. A.I.B. By invitation of the Chartered Institute of Secretaries.

Dance at the Midland Hotel.

"Accountancy as a Qualification for a Business Man," by Mr. Arthur Collins, F.S.A.A. By invitation of the Birmingham Chartered Accountants' Students' Society.

"Fraud in Accounts," by Mr. I. Davies, A.S.A.A. The Institute of Bankers were invited to this lecture.

Visit to Birmingham of the Leicester District Society. Visit to Bourville Works and to the Birmingham Hospital Centre.

"Disclosure in Public Accounts," by Mr. Hargreaves Parkinson, Associate Editor of the *Economist*. By invitation of the Institute of Cost and Works Accountants.

"Executorship Law and Accounts," by Mr. J. Linahan, A.S.A.A. The Law Students' Society were invited to this lecture.

### LIVERPOOL.

#### ANNUAL MEETING.

The annual general meeting of the Incorporated Accountants' District Society of Liverpool was held at the Liverpool Incorporated Accountants' Hall on May 31st. The President (Mr. T. T. Plender) in the course of his address, referred to the opening of the Hall by the Lord Mayor of Liverpool in October. He believed that the status of the Society had been greatly increased by that step, and that the Hall was fulfilling a most useful purpose in the life of the Society.

The proposed National Defence Contribution, he said, would bear with extreme inequality on many of the industries connected with Merseyside, and they might regret that the Chancellor had not been able to accept more of the recommendations which had been put forward.

The retiring members of the Committee, Mr. E. Chetter, Mr. E. S. Goulding, Mr. Alexander Hannah, Mr. W. E. Taffs, and Mr. S. Woodyer were re-appointed. Mr. L. Bailey was elected to take the place of Mr. J. C. Summer-skill.

At a Committee meeting held immediately after the annual meeting, the following officers were re-appointed: President, Mr. T. T. Plender; Vice-President, Mr. Ernest Chetter; Hon. Treasurer, Mr. Charles M. Dolby; Hon. Secretary, Mr. Bertram Nelson.

## NORTH LANCASHIRE.

## Annual Report.

The Committee have pleasure in presenting a report on the work of the Society for the year ended March 31st, 1937:—

## MEMBERSHIP.

	1936.	1937.
Fellows .. .. .	33	31
Associates .. .. .	102	108
Students .. .. .	93	89
	<u>228</u>	<u>228</u>

## LECTURES.

- "Income Tax—Claims for Relief, &c.," by Mr. W. G. Wallwork, A.C.A.
- "Auditing Case Law," by Mr. E. Westby-Nunn, B.A., LL.B.
- "The Democracy of a Limited Company," by Mr. G. E. Swarbrick (Student).
- "Matters Connected with Public Issues of Capital," by Mr. W. J. Back, A.S.A.A.
- "Accounts of Holding Companies," by Mr. C. A. Sales, LL.B., F.S.A.A.
- "Installation of Costing System," by Mr. W. W. Bigg, F.C.A., F.S.A.A.
- "Executorship Accounts," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.
- "Statistics," by Mr. H. W. Robinson, B.Sc. (Econ.).

It is disappointing that the average attendance represented only a very small percentage of the membership of the District Society. It is discouraging to those who have taken the trouble to prepare the lectures, and in many cases travel long distances, to find such a small audience to meet them, however interested and attentive that audience may be.

## EXAMINATIONS.

Congratulations are extended to the students who were successful at the Parent Society's examinations in May and November, 1936. Sixteen passed the Intermediate and six the Final.

## LIBRARY.

Books may be borrowed on application to the Hon. Secretary and will be forwarded post free to out-of-town members. Despite the existence of an up-to-date collection of works of a technical character, acquired at considerable expense, little use has been made of the advantages offered.

## PARENT SOCIETY.

The Committee again record their thanks to the Council and officers of the Parent Society for continued interest and support. Mr. J. Wareing represented the Society at the annual meeting of representatives of District Societies held in London in May, 1936.

## COMMITTEE.

The retiring members of the Committee are Mr. J. P. Duxbury, Mr. P. F. Pierce and Mr. D. W. Wilkinson, who are eligible for re-election.

## AUDITOR.

The retiring auditor, Mr. A. S. Oldman, is also eligible for re-appointment. No other nomination has been received at the date of this report.

## ANNUAL DINNER.

The annual dinner of the District Society took place on November 27th. The members were pleased to welcome Mr. F. Woolley, J.P., F.S.A.A., of Southampton, who attended at the request of the President and responded to the toast of the Society.

## BURNLEY STUDENTS' SECTION.

## Annual Report.

The fifth session has not been as successful as the preceding ones. Various causes have contributed to the poor attendances, and at the Annual Meeting these will be discussed. A Society cannot be run by only a few enthusiasts, and the Committee strongly urge the members to support them on every possible occasion by taking interest in the meetings.

The membership at the date of the report is:—

Students .. .. .	21
Incorporated Accountants ..	23

Two students were successful at the Intermediate examination in May, 1936.

## NORTH STAFFORDSHIRE.

## ANNUAL MEETING.

The annual meeting of the Incorporated Accountants' District Society of North Staffordshire was held at the Town Hall, Hanley, on May 28th.

Mr. M. P. Ferneyhough, the President of the District Society, was in the chair.

The Committee were re-elected as follows: Mr. A. Brodie, Mr. S. H. Bructon, Mr. F. E. Cheetham, Mr. W. C. Coxon, Mr. R. M. Chapman, Mr. L. G. Fetzer, Mr. T. W. Porter, Mr. F. S. Ralphs, Mr. C. A. Shaw, Mr. E. S. Stoddard, Mr. G. Taylor, Mr. T. Thompson.

Mr. Albert Bates, Incorporated Accountant, Hanley, was re-elected Hon. Auditor.

The President referred to the work of the past year, and stated that he had attended annual functions of the South Wales and Manchester Societies, and the Conference of representatives of District Societies.

After the annual meeting the Committee met, and the following officers were re-elected for the ensuing year: President, Mr. M. P. Ferneyhough; Vice-President, Mr. J. Paterson Brodie; Hon. Treasurer, Mr. E. Downward; Hon. Secretary, Mr. Donald H. Bates.

## SHEFFIELD.

## ANNUAL MEETING.

The annual general meeting of the Sheffield District Society was held at the Reform Club, Sheffield, on June 21st. Mr. Harry Cunningham, F.S.A.A., presided.

The fiftieth annual report and the accounts for the year ended March 31st, 1937, were approved, and Mr. J. H. Freeborough, J.P., F.S.A.A., and Mr. Leslie Lewis, F.S.A.A. were re-elected members of the Committee.

Mr. Arnold Graves, A.S.A.A., was re-elected Honorary Auditor for the ensuing year.

The President, Mr. Harry Cunningham, F.S.A.A., mentioned the honour conferred upon Mr. Percy Toothill, F.S.A.A., a Past President and Past Secretary of the Sheffield Society, who had been appointed Vice-President of the Society of Incorporated Accountants and Auditors. He referred to the work done for many years by Mr. Percy Toothill, and by his father, the late Mr. Henry Toothill.

Past Presidents' badges were presented by Mr. Cunningham to Mr. J. H. Freeborough, J.P., F.S.A.A., Mr. H. G. Liversidge, F.S.A.A., Mr. Donald Craig, F.S.A.A., Mr. E. Ransom Harrison, F.S.A.A., Mr. C. H. Wells, F.S.A.A., Mr. Percy Toothill, F.S.A.A., Mr. Leslie Lewis, F.S.A.A., and Mr. A. B. Griffiths, F.S.A.A. A Second Place Certificate for the Intermediate examination, May, 1936, was presented to Mr. Harry Smith, Chesterfield, who was also the recipient of books presented by the Sheffield District Society.

The President said that the Incorporated Accountants' District Society of Sheffield would celebrate its Golden

Jubilee on October 1st, 1937, and the President of the Society of Incorporated Accountants, Mr. Walter Holman, F.S.A.A., had promised to visit Sheffield on that occasion.

At the Committee meeting following the annual meeting, Mr. Harry Cunningham was re-elected President for the ensuing year, and Mr. A. F. J. Girling, Doncaster, was re-elected Vice-President. Mr. J. W. Richardson, A.S.A.A., was re-elected Honorary Treasurer and Secretary, and Mr. H. Gerald Toothill, A.S.A.A., was re-elected Honorary Librarian.

#### Annual Report.

The Committee have pleasure in presenting to the members the fiftieth annual report on the work of the Society for the year ended March 31st, 1937.

The following meetings were held:

"Some Principles of Income Taxation, illustrated from Recent High Court Decisions," by Mr. C. G. Woodfield, F.R.Econ.S.

"Executorship Accounts," by Mr. W. H. Grainger, F.S.A.A.

"The Incidence and Ethics of Tax Avoidance," by Mr. R. A. Witty F.S.A.A.

Students' Debate with the Bradford District Society:

"That too much importance is attached to success in Examinations," (at Sheffield).

"Controlling Factors in the Economic Outlook," by Sir Josiah Stamp, G.C.B., D.Sc.

"Money and Credit," by Mr. J. Gibson Jarvie.

"Mercantile Law," by Mr. O. Griffiths, M.A., LL.B. Student Society's Dance.

"Company Law," by Mr. E. Westby Nunn, B.A., LL.B.

"Income Tax," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

"Cost Accounts," by Mr. W. W. Bigg, F.C.A., F.S.A.A.

"The Secret of Unemployment," by Professor John Hilton.

As a result of the Conference of District Society Representatives, a number of lectures were arranged for the special benefit of students, and the Sub-Committee of the Yorkshire Area arranged for these lectures to be held in Sheffield on the second Wednesday in the months of October, December, January, February, and March.

The lectures were of special interest to students, and of the greatest possible assistance in connection with their studies and examinations. It is to be regretted that a large number of students failed to avail themselves of this assistance, and whilst those who attended expressed their desire for a continuation of this series of lectures, with a possible increase in number, the Committee hope that a better attendance will be recorded in future.

The Committee desire to congratulate Mr. Harry Smith, of Chesterfield, who obtained Second Place Honours in the Intermediate examination held in May, 1936, and have awarded him a prize of books to the value of £2 2s. They also desire to congratulate the other successful students. Seven passed the Final, and fourteen the Intermediate during the year.

The Secretary attended the Conference of District Society Representatives in London in May, 1936, and the subsequent meeting at Headquarters, to make the arrangements for the Student Lectures.

The Student Society again arranged football matches with Law Students and Chartered Accountant Students, and whilst the Chartered Students defeated our Students, it is pleasing to note that the Incorporated Students defeated the Law Students.

The dance arranged by the Student Society on December 18th proved very successful.

The District Society was represented by the President

and/or Secretary at the following dinners of District Societies: Hull, Newcastle-upon-Tyne, North Staffordshire, Nottingham, Yorkshire; and the Vice-President attended the dinner of the Manchester District Society.

In addition, the hospitality of the following local Societies was accepted by this District Society during the year: Sheffield and District Society of Chartered Accountants; Sheffield and District Branch of the Chartered Institute of Secretaries; Sheffield Centre of Cost and Works Accountants.

#### JUBILEE.

This is the fiftieth report issued by the Incorporated Accountants' District Society of Sheffield. This District Society will celebrate its Golden Jubilee on October 1st, 1937. The Lord Mayor has been kind enough to offer hospitality on September 30th, when a Civic reception and dance will be held at the Town Hall. This will be followed by a banquet on October 1st, which the President of the Society has promised to attend, and the Committee hope that all members will make a note of these dates. Details of further events will be issued later.

#### SOUTH OF ENGLAND.

##### Annual Report.

The Committee has pleasure in submitting herewith the report of the work of the Society for the year ended March 31st, 1937.

##### MEMBERSHIP.

The total membership of the District Society is now 326, made up of 175 Fellows and Associates, and 151 Students.

##### LECTURE MEETINGS.

During the past Winter Session the practice of holding lecture meetings, both at Bournemouth and at Southampton, has been continued, and the attendances at Bournemouth indicate that this arrangement has more than justified itself. The following lectures were given:—

At Southampton:

"The Audit of a One-Man Company," by Mr. F. R. Witty, A.S.A.A.

"Executorship Accounts," by Mr. I. Johnson, A.S.A.A.

"Fraud in Accounts," by Mr. W. Bertram Nelson, F.S.A.A.

"Company Law," by Mr. H. Gotein, LL.D.

"Partnership Accounts," by Mr. J. Linahan, A.S.A.A.

"Mercantile Law," by Mr. E. Westby Nunn, B.A., LL.B.

At Bournemouth:

"Municipal Accounts," by Mr. A. S. Hillyard, F.S.A.A.

"The Audit of a One-Man Company," by Mr. F. R. Witty, A.S.A.A.

"Executorship Accounts," by Mr. I. Johnson, A.S.A.A. Members' Papers.

"Fraud in Accounts," by Mr. W. Bertram Nelson, F.S.A.A.

"Deeds of Arrangement," by Mr. C. M. Dolby, F.S.A.A.

"Company Law," by Mr. H. Gotein, LL.D.

"Partnership Accounts," by Mr. J. Linahan, A.S.A.A.

"Mercantile Law," by Mr. E. Westby Nunn, B.A., LL.B.

##### EXAMINATIONS.

Cordial congratulations are extended to the ten Final and fifteen Intermediate candidates who were successful at the Society's 1936 examinations. Mr. M. P. Simmons, Bournemouth, was awarded the Second Certificate of Merit and Second Prize in the Final examination held in November, 1936.

##### LIBRARY.

Members are reminded of the library facilities at the Hon. Secretary's office. Books will be sent to members by post should they so desire, and if any special books



of reference are required, the Committee will be pleased to consider the purchase of these. The books are being catalogued.

#### DINNER.

The Committee has decided that an annual dinner be held in the autumn, and it is hoped that this function will receive a full measure of support.

In conclusion, an earnest appeal is made to practising members to take an active interest in the work of the District Society, particularly in the direction of attendance at meetings whenever possible.

### SOUTH WALES AND MONMOUTHSHIRE

#### Annual Report.

The Committee presents to the members its report of the activities of the Society for the year ended March 31st, 1937.

#### OBITUARY.

The Society has suffered a severe loss by the death of Mr. Job Fooks, F.S.A.A. Mr. Fooks was for many years one of the auditors of the District Society, and the sympathy of the District Society is extended to his widow and family.

#### CONFERENCE OF REPRESENTATIVES OF BRANCHES AND DISTRICT SOCIETIES.

The Conference of Representatives of Branches and District Societies was held on May 21st, 1936, when various matters of interest were dealt with. Mr. Alfred E. Pugh, who was President at the time, and Mr. Percy H. Walker represented the District Society.

#### LECTURES.

The following programme of lectures was arranged by the District Society and the two Student Sections:—

- "Some Practical Points in Auditing," by Mr. Walter Holman (Vice-President, Society of Incorporated Accountants and Auditors) (joint meeting with the West of England and the Swansea and South-West Wales District Societies).
- "Points connected with Public Issues of Capital," by Mr. W. J. Back, A.S.A.A.
- "Garage Accounts," by Mr. C. E. Rollinson, A.S.A.A.
- Topic Meeting.
- "Executorship Law and Executorship Accounts," by Mr. E. Westby Nunn, B.A., LL.B.
- "Rating Practice and Methods of Valuation," by Mr. F. W. Wilson, F.I.S.A.
- "Bonus Shares," by Mr. A. Blackburn, A.S.A.A.
- Joint Debate between Cardiff and Newport Students.
- "Debentures and the Power of Receivers appointed by the Debenture Holders," by Mr. Percy H. Walker, F.S.A.A.
- "Fraud in Accounts," by Mr. Ivor Davies, A.S.A.A.
- "Statistics," by Mr. Noel Cliffe, A.S.A.A.

The Student Sections also held meetings in connection with the Prize Essay Scheme.

The best thanks of the members are extended to those gentlemen who so kindly contributed to the success of the session by the lectures they gave. The attendance at lectures this year averaged 51, which, whilst not quite up to last year's average, is considered satisfactory.

#### EXAMINATIONS.

Students of the District Society achieved six successes in the Final examination, twenty-two (including one Honours) in the Intermediate, and two in the Preliminary.

#### ANNUAL DINNER.

The annual dinner was held at the Park Hotel, Cardiff, on April 2nd, with Mr. Percy A. Hayes in the chair. The number of members and guests totalled about 240.

#### PANEL OF PROFESSIONAL LECTURERS.

The Panel of Professional Lecturers set up in 1936 has worked very satisfactorily. The whole of the lectures delivered to this District Society were drawn from the panel with the exception of the opening meeting, which was addressed by the Vice-President of the Parent Society, Mr. Walter Holman. The members of this District Society who had been placed on the panel were all called upon to lecture to a number of District Societies.

#### Students' Society of Newport.

##### LECTURES AND MEETINGS.

The lectures, particulars of which are included under the combined syllabus of the District Society, were preceded by tea. It was found that the tea created a more friendly atmosphere, and furthered the personal contact of the officers and committee with the students.

##### PRIZE ESSAY SCHEME.

Requests were made by a number of students at the commencement of the session, for lectures upon certain specified subjects. In order to meet the wishes of the students, the Committee reduced the number of meetings at which short papers were given under the Prize Essay scheme.

The papers given, although few in number, were all of a very good standard, and the judges had some difficulty in awarding prizes. It was finally decided that the following should each receive a prize to the value of 10s. 6d.: Mr. G. A. Hulbert, Mr. G. A. H. Oliver, Mr. A. L. Varmen.

The papers given were as follows:—

- "Some Aspects of the Foreign Exchanges," by Mr. R. C. Pugh.
- "Wills," by Mr. W. M. Fell.
- "The Stock Exchange," by Mr. G. A. H. Oliver.
- "Bills of Exchange," by Mr. A. D. G. Jordan.
- "Sale of Goods," by Mr. G. A. Hulbert.
- "The Legal Position of Infants," by Mr. A. L. Varmen.

##### LIBRARY.

Continual use is made of reference books, as well as of those available for home reading.

Library books may be borrowed or used during office hours, and further particulars will be gladly supplied by the Librarian.

##### SOCIAL AND EDUCATIONAL FUNCTIONS.

By permission of the Head Postmaster, the students were conducted over the premises of the sorting, telephone and telegraph departments of the General Post Office.

Fifteen students visited the Cwmearn Colliery, where they were shown around the air plant and winding house, from there descending to the coal face. The manager of the colliery conducted the party through the workings, describing en route the ventilation system and anti-fire damp precautions.

On November 26th the Newport students visited London and under the guidance of Captain Arthur Evans, Member for Cardiff South, were taken over the House of Commons. Debates in progress were listened to with interest, and several famous politicians were heard.

The annual dance was held on March 12th at the King's Head Hotel, Newport.

#### Students' Society of Cardiff.

##### PRIZE ESSAY SCHEME.

Four new competitors took part in the Prize Essay scheme, the papers generally being of the usual high standard. The discussions were again confined to a few members only.

Particulars of the programmes are given below :—

"Preparation of Accounts from Incomplete Records," by Mr. I. Corbett.

"Building Societies' Accounts," by Mr. T. Haslam.

"Recent Income Tax Cases," by Mr. G. E. Davies.

"The Issue of a Prospectus," by Mr. R. Sallis.

"Multiple Cost Accounts," by Mr. V. G. Fradd.

"Death Duties," by Mr. A. W. Rowles.

"Report of Codification Committee on Income Tax," by Mr. A. G. Pallot.

"The Economic Aspect of Rearmament," by Mr. W. R. Matthews.

"The Value of Cost Accounts," by Mr. E. J. Thomas.

"The Auditor and Verification of Liabilities," by Mr. R. J. Alban.

"Recent Developments relating to the Control of Fixed Trusts," by Mr. W. G. Evans.

"Compulsory Liquidation," by Mr. H. K. Forster.

The successful competitors were :—

(a) For the best paper :

1st prize : Mr. A. G. Pallot.

2nd prize : Mr. W. R. Matthews.

(b) Prize for the best contribution to the discussions : Mr. D. R. Carston.

The attendances were below the average. It is felt that there must be reasons for the decline and it is imperative that some action should be taken before the commencement of the year 1937-38. Preliminary steps to that end have already been instituted by the editor of the Magazine, who has circulated a comprehensive questionnaire, the replies to which it is hoped will give information that will enable the Committee to examine the position fully and endeavour to revive interest in the work of the Students' Society. A suggestion is also made that an informal meeting of seniors and students might prove helpful.

#### LIBRARY.

The duties of librarian have been carried out by Mr. G. E. Davies and the Society is much indebted to him for the able and efficient manner in which he has performed his duties. The library continues to be well used.

#### SIR JAMES MARTIN MEMORIAL FUND.

It is pleasing to record that the Students' Society was responsible for a contribution of £2 15s. towards this fund.

#### SOCIAL AND EDUCATIONAL FUNCTIONS, &c.

The annual outing took place on June 9th, 1936, with a visit to the establishment of the Austin Motor Company, Limited, at Longbridge, Birmingham.

At a smoking concert held at the Park Hotel on October 12th, 1936, Mr. R. R. Davies, A.S.A.A., presented Mr. Percy A. Hayes, F.S.A.A., on behalf of the Cardiff Students' Society, with a gold Eversharp pencil, suitably inscribed, in recognition of the fact that Mr. Hayes is the first ex-chairman of the Students' Society to occupy the Presidential Chair of the South Wales and Monmouthshire District Society.

The annual dance held on November 12th, 1936, proved very enjoyable.

By kind permission of the officials of Messrs. Guest Keen Baldwins Iron and Steel Company, Limited, 37 members were privileged to make a tour of their Dowlais Works at Cardiff on March 17th.

#### ANNUAL MEETING.

The annual general meeting of the Cardiff students on May 10th was presided over by Mr. R. R. Davies, A.S.A.A., and there was a very satisfactory attendance.

The following officers and committee were elected for the year 1937-38 :—Chairman and Students' Representative on the District Committee, Mr. Ivor Davies, A.S.A.A.; Vice-Chairman, Mr. D. R. Carston; Hon. Secretary, Mr. J. Alun Evans; Librarian, Mr. G. E.

Davies; Sports Secretaries, Mr. A. G. Pallot and Mr. W. R. Matthews; Committee (with officers *ex-officio*), Mr. R. R. Davies, A.S.A.A., Mr. R. J. Alban, Mr. G. E. Davies, Mr. V. G. Fradd, Mr. W. R. Matthews, Mr. A. G. Pallot, Mr. W. E. Thomas.

The judges in connection with the Prize Essay scheme for 1937-38 are Mr. Ivor Davies, A.S.A.A., Mr. R. R. Davies, A.S.A.A., and Mr. E. J. Wade, A.S.A.A.

Votes of thanks were unanimously accorded to the officers and Committee for their services during the past year and to Mr. F. J. Alban, C.B.E., F.S.A.A., for the use of his room for holding meetings.

Bristol was arranged as the venue of the outing in June, comprising a visit to the establishment of Messrs. J. S. Fry & Sons, Limited.

## SWANSEA AND SOUTH-WEST WALES.

### Annual Report.

The District Committee have pleasure in presenting their report for the year ended March 31st, 1937.

### MEMBERSHIP.

The membership at March 31st, 1937, was 68 members and 70 students.

### LECTURES.

The following lectures were given during the session :—

"Some Practical Points in Auditing," by Mr. Walter Holman, F.S.A.A., Vice-President of the Parent Society (Joint meeting at Cardiff with South Wales and Monmouthshire and West of England District Societies).

"Matters connected with Public Issues of Capital," by Mr. W. J. Back, A.S.A.A.

"Some Points on Colliery Auditing and Accounts," by Mr. H. Dixon Williams, F.S.A.A.

"Negotiable Instruments," by Mr. H. Edmund Davies, Barrister-at-Law.

"Profit-sharing and Co-Partnership," by Mr. Percy H. Walker, F.S.A.A.

Short Papers by Students, by Mr. A. L. Wooldridge and Mr. C. D. Williams.

"The Creation and Control of Credit," by Mr. P. S. Thomas, M.A.

The District Committee express their thanks to the Lecturers and to all who contributed to the proceedings.

### EXAMINATIONS.

Three students were successful in the Final examination of the Society in May and November, 1936, and seven in the Intermediate.

### STUDENTS' SECTION.

The Committee are pleased to record the activities of the Students' Section in arranging meetings for discussion, and hope it will be possible to publish in advance their programme for next session.

### LIBRARY.

The facilities afforded by the Library are being increasingly used and the Committee will be glad to consider any suggestions for improvements. Thanks are due to Messrs. Francis & Williams for the gift of a book.

### APPOINTMENTS.

The Secretary is regularly notified by Headquarters of appointments open to members of the Society, and he will be pleased to pass them on to any member who desires them.

### COMMITTEE.

The retiring members of the Committee are Mr. G. M. Griffith, Mr. D. Hubert Jones, Mr. E. I. E. Phillips and Mr. G. M. Squire, who are eligible for re-election.

### AUDITOR.

The retiring Auditor is Mr. G. E. Gibbs, who is eligible for re-election.

## WEST OF ENGLAND.

## ANNUAL MEETING.

The annual meeting of the West of England District Society was held at the Royal Hotel, Bristol, on June 7th. Mr. F. A. Webber (President) presided over a fair attendance, and, in moving the adoption of the annual report and accounts, referred to the activities of the Society and the increased attendances at lectures.

The retiring members of the Committee—Mr. H. O. Johnson, Mr. F. P. Leach, and Mr. D. G. Price—were re-elected, as was also the Hon. Auditor, Mr. R. F. Emmerson.

At a meeting of the Committee subsequently held, the following officers were appointed for the ensuing year:—President, Mr. F. A. Webber (Bristol); Vice-President, Mr. H. O. Johnson (Bath); Hon. Secretary, Mr. F. A. Webber; Assistant Hon. Secretary, Mr. F. P. L. Roberts.

## Annual Report.

The Committee have pleasure in presenting the report of the work of the Society for the year ended March 31st, 1937.

## MEMBERSHIP.

The total membership to date is 280, represented by 47 Fellows, 119 Associates, and 64 Students.

## LECTURES.

The following lectures were given:  
At Bristol.

- "Matters connected with Public Issues of Capital," by Mr. W. J. Back, A.S.A.A.
- "Company Reconstruction," by Mr. R. Glynne Williams, A.C.A.
- "Trusts and Trust Accounts," by Mr. E. Westby Nunn, B.A., LL.B.
- "Contract," by Mr. E. W. W. Veale, LL.D.
- "The Powers and Duties of a Receiver for Debenture Holders," by Mr. P. Walker, F.S.A.A.
- "Income Tax as affecting Partnerships," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

At Gloucester.

- "The Duties and Powers of a Receiver for Debenture Holders," by Mr. P. Walker, F.S.A.A.
- "Fraud in Accounts," by Mr. R. Glynne Williams, A.C.A.
- "Income Tax as affecting Partnerships," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

## EXAMINATIONS.

The Committee are pleased to report that Mr. Gilbert Sugden, of Taunton, secured First Place Certificate and First Prize at the Intermediate examination held in May, 1936, and has been awarded £3 3s. under the District Society's Prize Scheme.

At the examinations of the Society held in May and November, 1936, seven students were successful in the Final, and seven in the Intermediate.

## CONFERENCE.

The Society was represented by the President and Honorary Secretary at a Conference of representatives of Branches and District Societies held in London in May, 1936, and at official functions of other District Societies.

## MEETING AT CARDIFF.

A joint meeting with the South Wales and Monmouthshire District Society and the Swansea and South West Wales District Society was held at Cardiff on October 9th, 1936, when Mr. Walter Holman, F.S.A.A., Vice-President of the Parent Society, gave a lecture on "Some Practical Points in Auditing." The lecture was much appreciated and well attended by members of each District Society.

## OBITUARY.

The Committee record with regret the death of Mr. F. W. Prosser, who had been a member of the Committee, and from 1909 to 1920 acted as Honorary Secretary to the Society.

## COMMITTEE.

The retiring members of the Committee are Mr. H. O. Johnson, Mr. F. P. Leach, and Mr. D. G. Price. They are eligible and offer themselves for re-election.

## YORKSHIRE.

## Annual Report.

## MEMBERSHIP.

The figures of membership at March 31st for the past two years are as follows:—

	1937.	1936.
Fellows .. .. .	55	59
Associates .. .. .	280	272
Students .. .. .	228	235
	<hr/> 563	<hr/> 566

We sincerely regret to report the loss by death during the past year of the following members:—Mr. George W. B. Berrington, Mr. John Hetherington, Mr. Frederick Holliday, and Mr. Harry Riley.

## LECTURES.

An interesting series of lectures was arranged for the session just completed, and this District Society was favoured with a visit from Mr. Richard A. Witty, F.S.A.A., who gave a lecture on "Incidence and Ethics of Tax Avoidance."

The lecture on "Hospital Accounts and Financial Administration," by Capt. J. E. Stone, A.S.A.A., Secretary of the Birmingham Hospital Centre, had to be cancelled owing to the lecturer's illness.

The following is a full list of the lectures held during the past session at Leeds and Huddersfield.

- "Executors' Law and Accounts," by Mr. W. H. Grainger, F.S.A.A.
- "The Incidence and Ethics of Tax Avoidance," by Mr. Richard A. Witty, F.S.A.A.
- "Fraud in Accounts," by Mr. Bertram Nelson, F.S.A.A.
- "Income Tax in Relation to Partnership," by Dr. A. V. Tranter (at Huddersfield).
- "Company Law," by Mr. R. A. Chadwick, M.A., LL.M. Joint meeting with Chartered Secretaries (West Yorks Branch).

"Bills of Exchange with Special Reference to Bankers and Liability on Cheques," by Mr. O. Griffiths, M.A., LL.B.

"The Contractual Aspects of Company Law," by Mr. E. Westby Nunn, B.A., LL.B.

"Fixed Trusts," by Mr. Francis Lewcock.

"Recent Developments in Income Tax," by Mr. H. A. R. J. Wilson, F.S.A.A.

"Auditing Investigations," by Mr. W. H. Grainger, F.S.A.A. (at Huddersfield).

"Practical Points in Insolvency Procedure," by Mr. David Morgan, A.S.A.A.

"Costing Records and the Financial Books," by Mr. Walter W. Bigg, F.S.A.A.

## LIBRARY.

Recent editions of text books for the examinations and also for practising members have been purchased as issued.

## EXAMINATIONS.

The Committee tender their congratulations to the candidates who were successful in the examinations of the Parent Society held in May and November, 1936. Eighteen passed the Final and twenty-four the Intermediate.



## EXAMINATION PRIZES.

The attention of students is drawn to the Prize Scheme for any candidate taking honours at the Society's Examinations:—

Final Examination (1st place) ..	£5	5s.	0d.
do. (other place) ..	£2	12s.	6d.
Intermediate Examination (1st place) ..	£3	3s.	0d.
do. (other place) ..	£1	11s.	6d.

## STAFF APPOINTMENTS REGISTER.

During the past year many appointments have been arranged by means of the Staff Appointments Register, kept at the Secretary's office, for Students and Associates requiring appointments in the profession. Members in practice having vacancies on their staff will greatly assist the Scheme by communicating with the Secretary.

## DINNER.

A dinner was held at the Great Northern Station Hotel, Leeds, on December 4th. A number of distinguished guests were present.

The annual dinner-dance for members and friends took place at Powolny's Restaurant, Leeds, on January 15th, and created a record for attendance.

## Scottish Notes.

(FROM OUR CORRESPONDENT.)

## Meeting of Scottish Council.

A meeting of the Council of the Scottish Branch was held in Glasgow on the 25th ult. There were present Mr. R. T. Dunlop (President of the Branch), Mr. W. Davidson Hall and Mr. Walter Macgregor (Vice-Presidents), Mr. J. Stewart Seggie (Edinburgh), Mr. W. L. Pattullo (Dundee), Mr. William Houston, Mr. W. Hill Jack, Mr. Robert Fraser, and Mr. E. Hall Wight (Glasgow), Mr. J. T. Morrison, J.P. (Coatbridge), Mr. Festus Moffat, J.P. (Falkirk), and Mr. James Paterson (Secretary).

Apologies for absence were intimated from Mr. Alexander Davidson, J.P. (Peterhead), Mr. W. J. Wood (Perth), Mr. D. R. Matheson, M.A., LL.B. (Edinburgh), Mr. John A. Gough and Mr. P. G. S. Ritchie (Glasgow). Intimation of the death of Mr. Archibald Macintyre, J.P., Hamilton, a member of the Scottish Council, was received with regret. Mr. Robert Milne, F.S.A.A., Glasgow, was co-opted to fill the vacancy caused by the death of Mr. Macintyre.

Reports were given by the Secretary as to various matters affecting the accountancy profession, and particularly several affecting the interest of the members of the Society in Scotland. Reports were also given as to the lecture arrangements of the Glasgow Students' Society. A number of other membership matters were considered and variously dealt with.

## Scottish Solicitors.

The 53rd annual general meeting of the Scottish Law Agents' Society was held last month. Various difficulties experienced by Scottish solicitors in dealing with the Bank of England were referred to in the report of the Council of the Society. The basic difficulty underlying the whole position is that the Bank of England apparently accept the view that England is the domicile of Government stock. This view the Council decline to accept.

In another part of the report reference is made to the consideration of the best means of preventing defalcations of solicitors, and suggestions were made as to the necessity of statutory power being given to frame rules as to the keeping of solicitors' accounts and as to the institution of a guarantee fund.

## Town Chamberlain, Coatbridge.

Mr. A. G. G. Barclay, Incorporated Accountant, Coatbridge, has been unanimously elected Town Chamberlain of Coatbridge in succession to Mr. James T. Morrison, J.P., F.S.A.A., who resigned owing to the condition of his health. Mr. Barclay, who qualified as an Incorporated Accountant in 1931, has been Assistant Town Chamberlain for some years. He holds a Diploma in Public Administration and has proved himself a most capable official under Mr. Morrison.

## Dumbarton Depute Town Chamberlain.

Mr. Adam B. Brackenridge, Incorporated Accountant, who is at present internal audit assistant in the City Chamberlain's office, Aberdeen, has been appointed Depute Burgh Chamberlain for the burgh of Dumbarton. Mr. Brackenridge will also act as Depute Burgh Registrar.

## Scottish Education Department.

The sixty-fourth annual report by the Accountant to the Department, Mr. J. A. Thomson, has just been published. The accounts are for the year 1935-36, and the accountant's report furnishes very detailed statistics of income and expenditure. The total revenue expenditure amounted to £13,029,830, of which £8,222,104, or 63.10 per cent., was for salaries of and retiring allowances to teachers; £2,027,175, or 15.56 per cent., was for maintenance of schools and continuation classes; while administration expenses were £400,705, or only 3.08 per cent.

One is surprised to learn that the examination of the education accounts for the county of Dumfries is now in arrear for the three years 1933-34, 1934-35, and 1935-36. The reason is not given.

It is interesting to note that the cost of teas at the opening of two new schools was declared illegal, and attention was called to charges for the use of private motor cars where public means of conveyance were available, and that the charges for the use of a private motor car in such circumstances should not exceed the ordinary fare by such public means of conveyance.

## Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, e.g., (1925) 2 K.B. :—

T.L.R., *Times Law Reports*; *The Times*, *The Times Newspaper*; L.J., *Law Journal*; L.J.N., *Law Journal Newspaper*; L.T., *Law Times*; L.T.N., *Law Times Newspaper*; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S.C., *Session Cases (Scotland)*; S.L.T., *Scots Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace (England)*; L.G.R., *Knight's Local Government Reports*; B. & C.R., *Bankruptcy and Company Cases*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland; P., Probate, Divorce and Admiralty.]

## COMPANY LAW.

In re Mortimers (London), Limited.

*Remuneration of Voluntary Liquidator.*

Where a members' voluntary liquidation of a company is superseded by compulsory liquidation, the Court is empowered by Rule 192 (1) of the Companies (Winding-up) Rules, 1929, to review the amount of remuneration fixed

by the members of the company, during the voluntary liquidation, as payable to the voluntary liquidator.  
(Ch.: (1937) 1 Ch., 289.)

**Noel v. Trust and Agency Company of Australasia Limited.**

*Money Received in Advance of Calls.*

A company incorporated in 1860 took power by its Articles to receive moneys in advance of calls on its ordinary shares of £10—on which only £1 had been called up—to bear interest at the rate of 6 per cent. In 1863 and again at later dates this power was exercised, but the rate of interest was on each occasion reduced. The company paid the income tax due, but no tax was at any time deducted from the interest paid.

It was held that the Court could not presume, in the absence of evidence, that the company had at some time entered into a new bargain with shareholders who had lent money to the company in advance of calls to pay those shareholders interest at a higher rate than that provided for in the Articles, namely, at such a rate as after deduction of income tax at the current rate thereon should yield 6 per cent. or the lower rates as the case might be.

(Ch.: (1937) 53 T.L.R., 672.)

**In re Waxed Papers, Limited.**

*Scheme of Arrangement.*

A proxy was given by a shareholder to the chairman of a meeting of a company empowering him to act for the shareholder at the meeting which was to be held for the purpose of considering and, if thought fit, approving, with or without modification, a proposed scheme of arrangement.

It was held by the Court of Appeal, affirming the decision of Bennett (J.) (see *Incorporated Accountants' Journal*, May, 1937, p. 308), that the power of voting conferred on the holder of the proxy was not confined to that of voting for or against the scheme, but was wide enough to enable him to use the proxy for the purpose of voting on any incidental matter which might arise before the main question for which the meeting was convened was considered; and that it could therefore be used for the purpose of voting on a resolution to defer the consideration of the scheme to a future occasion.

(C.A.: (1937) 53 T.L.R., 676.)

**In re Glynn Valley Tramway Company.**

*Debenture Holders' Rights.*

A tramway company, incorporated by private Act in 1870, operated a tramway undertaking, but from 1932 it had been unable to make a profit. Consequently, in 1935, it obtained registration under Part IX of the Companies Act, 1929, and then passed a resolution for voluntary winding-up. A summons was taken out by the liquidator to determine the rights *inter se* of the holders of debentures issued by the company and its unsecured creditors.

It was held that the undertaking having been abandoned as a going concern, the debentures created a charge on the proceeds of sale of the tramway and all its assets, including uncalled capital, in priority to the claims of unsecured creditors.

(Ch.: (1937) 53 T.L.R., 743.)

**EXECUTORSHIP LAW AND TRUSTS**

**In re Pilkington's Will Trusts; Pilkington v. Harrison.**

*Life Interest to Determine if Charged.*

By his will a testator, who died in 1932, directed that, in certain events which happened, his trustees should hold a fund on trust to pay the income to H during his life "if at the time of his present trust taking effect in possession no act or event shall have happened

whereby the life interest hereby given" to H "if belonging to him absolutely would have become vested in or charged in favour of some other persons or person." A discretionary trust in favour of H, his wife and issue was created in the event of a forfeiture.

By a document executed in 1933 which was not registered under sect. 2 of the Deeds of Arrangement Act, 1914, H, who was then resident in Scotland but was domiciled in England, assigned to a trustee for the benefit of his creditors his "whole means and estate, real and personal, wherever situated, now pertaining and belonging, or due and indebted, to me, or over which I may have any power of disposal, or to which I may succeed during the subsistence of this trust."

It was held that the document of 1933 was wide enough to include the interest which H took under the will; (2) that, on construction of the document of 1933, it appeared that the law which was intended to be applied in dealing with it was the law of Scotland, under which it was not necessary for it to be registered, and consequently the document was not void for want of registration; and (3) that, therefore, there had been a forfeiture by H of his interest under the will, and the discretionary trust in favour of him and his wife and children had come into operation.

(Ch.: (1937) 53 T.L.R., 745.)

**In re Morley's Estate; Hollenden v. Morley.**

*Settled Legacies.*

Where, owing to difficulties in realising an estate, pecuniary legacies given by a will have not been paid in full until after the lapse of a period of years from the death of the testator, but payments have been made on account of the principal and interest of such legacies under orders of the Court, the general rule of administration is that each payment must be appropriated first in satisfaction of interest due up to the date of payment and subject thereto in satisfaction of principal, and that the rule must be applied unless there is a direction to the contrary contained in the will or in any previous order of the Court.

(Ch.: (1937) 53 T.L.R., 768.)

**In re Ashton's Estate; Westminster Bank v. Farley.**

*Gift for Parish Work.*

Luxmoore (J.) held that a gift to the vicar and churchwardens of a church for parish work is not a charitable gift.

(Ch.: (1937) 53 T.L.R., 809.)

**REVENUE.**

**Palmer v. Cattermole.**

*Omission to Make Returns of Income.*

A testator died in 1931 having made no proper returns of income for some years. During those years until his death his wife was living with him. She died in 1934. Assessments to income tax for the years in question, including part of the year 1931-32 in which the testator died, were made on the testator's executrix in respect of the income of the testator and his wife.

It was held (1) that under Rule 18 the executrix was assessable on the profits or gains which arose or accrued to the testator in his own right, and in that of his wife by virtue of Rule 16 of the General Rules applicable to all Schedules of the Income Tax Act, 1918; (2) that there was nothing in Rule 18 to suggest a limitation to the year of assessment, and that the executrix was accordingly assessable in respect of all profits or gains which arose or accrued to the testator or his wife before his death, notwithstanding that they arose or accrued before the year of assessment; (3) that the words of Rule 18 were apt to entitle the Commissioner to assess and charge on the executrix the profits which arose or accrued to the testator or his wife *de die in diem* up to the date of death.

(K.B.: (1937) 53 T.L.R., 677.)